JAINAM BROKING LIMITED

(CIN: U67120GJ2003PLC043162)

Audit Committee Charter

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1. Purpose & Objectives

As per the provisions of Section 177 of the Companies Act, 2013 ('Act') and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), the Company is required to constitute Audit Committee to carry out functions relating to review and recommendation of the quarterly, half-yearly and annual financial results/ statements to the Board of Directors, overseeing the internal financial controls, approval and modification of related party transaction amongst others.

The objectives of the Audit Committee (the "Committee") of the Board of Directors (the "Board) of "Jainam Broking Limited" ('JBL' or 'the Company') is to assist the Board with oversight of: -

- The accuracy, integrity and transparency of the company's financial statement with adequate and timely disclosures;
- Compliance with legal and regulatory requirements;
- Internal control over financial reporting and on policies and procedures adopted for orderly and efficient conduct of business;
- Monitoring the independence and qualification of the statutory auditors;
- External and internal audit processes including performance of the statutory auditors and internal auditors of the company;
- Impact of schemes involving merger, demerger, amalgamation, etc. on the company and its shareholders; and
- Scrutiny of loans given, investments made, guarantees and sec
- Acquisitions and investments made by the Company.

The audit committee should also assist the Board with regard to

- Laying down the criteria for granting omnibus approvals in line with policy on related party transactions which shall be applicable in respect of transactions which are repetitive in nature.
- Evaluation of process of identification of related parties and related party transactions, involving cash or otherwise to ascertain that such transactions are not prejudicial to the interest of all stakeholders including minority shareholders.

The role, responsibilities and powers of the Committee shall include matters set out in this charter and such other items as may be prescribed by applicable laws as amended or by the Board in compliance with applicable law from time to time.

2. Composition of Committee

i. The Committee shall have minimum three (3) directors as members, out of which at least two-thirds (2/3rd) of the members of Committee shall be independent forming a majority.

ii. All members of the Committee shall have the ability to read and understand basic financial statements i.e., balance sheet, profit and loss account and statement of cash flows.

iii. All members of audit committee shall be financially literate and at least one member shall have accounting or related financial management expertise. The Chairperson of the Committee shall be an Independent Director.

iv. The chairperson of the audit committee shall be an independent director and he/she shall be present at Annual general meeting to answer shareholder queries.

v. The Company Secretary shall act as the secretary to the audit committee.

vi. The audit committee at its discretion shall invite the finance director or head of the finance function, head of internal audit and a representative of the statutory auditor and any other such executives to be present at the meetings of the committee:

Provided that occasionally the audit committee may meet without the presence of any executives of the listed entity The Company Secretary shall act as the Secretary to the Audit Committee

3. Secretary

The Company Secretary shall act as Secretary to the Committee and will ensure that the Committee receives information and papers in a timely manner to enable full and proper discussion to be given to issues.

4. Meetings

The Committee shall meet at least four times a year with a maximum interval of one hundred and twenty days between any two consecutive Meetings and for such other times as may be prescribed under the applicable laws at the appropriate times during the years.

5. Quorum

The quorum shall be either two members or one third of the members of the Audit Committee whichever is greater, but there should be a minimum of two independent directors present. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

6. Terms of Reference

- **The Audit Committee shall have powers, which should include the following:**
  - To investigate any activity within its terms of reference.
  - To seek information from any employee.
  - To obtain outside legal or other professional advice;
  - To secure attendance of outsiders with relevant expertise if it considers necessary; and
  - Such powers as may be prescribed under the Companies Act and SEBI Listing Regulations.

- **The role of the Audit Committee shall include the following:**
  - Oversight of the Company's financial reporting process, examination of the financial statement and the auditors' report thereon and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
  - Recommendation for appointment, re-appointment and replacement, remuneration and terms of appointment of auditors, including the internal auditor, cost auditor and statutory

auditor, of the Company and the fixation of audit fee;

- Approval of payments to statutory auditors for any other services rendered by the statutory auditors of the Company;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
    - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act;
    - Changes, if any, in accounting policies and practices and reasons for the same;
    - Major accounting entries involving estimates based on the exercise of judgment by the management of the Company;
    - Significant adjustments made in the financial statements arising out of audit findings;
    - Compliance with listing and other legal requirements relating to financial statements;
    - Disclosure of any related party transactions; and
    - Qualifications / modified opinion(s) in the draft audit report.

- Reviewing, with the management, the quarterly, half yearly and annual financial statements before submission to the board for approval;
- Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the issue document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- Formulating a policy on related party transactions, which shall include materiality of related party transactions;
- Approval or any subsequent modification of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed;

***Explanation**: The term "related party transactions" shall have the same meaning as provided in Clause 2(zc) of the SEBI Listing Regulations and/or the applicable Accounting Standards and/or the Companies Act, 2013.*

- Review, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approvals given;
- Scrutiny of inter-corporate loans and investments;
- Undertaking or supervising valuation of undertakings or assets of the company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up thereon;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- Recommending to the board of directors the appointment and removal of the external auditor, fixation of audit fees and approval for payment for any other services;
- Reviewing the functioning of the whistle blower mechanism;
- Approval of the appointment of the Chief Financial Officer of the Company ("CFO") (i.e., the whole-time finance director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc., of the candidate;
- Carrying out any other functions as is mentioned in the terms of reference of the Audit Committee and any other terms of reference as may be decided by the Board and/or as provided under the provisions of the Companies Act, the SEBI Listing Regulations and other applicable laws;
- To formulate, review and make recommendations to the Board to amend the Terms of Reference of Audit Committee from time to time;
- Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances;
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;
- Reviewing the utilization of loans and/or advances from/investment by the Company in the subsidiaries exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision;
- To consider and comment on rationale, cost- benefits and impact of schemes involving merger, demerger, amalgamation etc. on the Company and its shareholders and;
- Carrying out any other functions as may be required / mandated and/or delegated by the Board as per the provisions of the Companies Act, 2013, SEBI Listing Regulations, uniform listing agreements and/or any other applicable laws or by any regulatory authority and performing such other functions as may be necessary or appropriate for the performance of its duties."

- **The Audit Committee shall mandatorily review the following information:**

  - Management's discussion and analysis of financial condition and results of operations;
  - Management letters/letters of internal control weaknesses issued by the statutory auditors of the

Company;

- Internal audit reports relating to internal control weaknesses;
- The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee;
- Statement of deviations:
  i. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations; and
  ii. annual statement of funds utilised for purposes other than those stated in the issue document/prospectus/notice in terms of Regulation 32(7) of the SEBI Listing Regulations;
- To review the financial statements, and the auditors' report thereon in particular, the investments made by any subsidiary; and such other information as may be prescribed under the Companies Act and SEBI Listing Regulations

This policy is approved by the Board of Directors at their meeting held on _____

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