

JAINAM BROKING LIMITED

CIN: U67120GJ2003PLC043162

AUDIT COMMITTEE CHARTER

EFFECTIVE DATE - 13.09.2023



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AUDIT COMMITTEE POLICY

1. OBJECTIVES

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

The Composition of Audit Committee shall be of minimum of three Directors with independent Directors forming a majority. Further, the majority of the audit committee members including the Chairperson shall be able to read and understand financial statements.

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 necessary for the transaction of business shall be two members including the presence of at least one Independent Director. 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. POWERS

- To investigate any activity within its terms of reference.
- To seek information from any employee.
- To retain external legal, accounting or other professional advisors as the Committee deems necessary or appropriate to carry out its duties.
- To institute special investigations into any matter provided in this charter or referred to it by the Board, with full access to the internal auditors, chairperson of the Board, management and the independent auditor, as well as all books, records, facilities and personnel of the Company.
- To secure attendance of the auditors, internal auditor, and the head of finance and of outsiders with relevant expertise.

7. RESPONSIBILITIES

i. Relating to Financial Statements

Reviewing with management and the independent auditor the annual audited/unaudited financial statements and the quarterly audited/unaudited financial statements/results and auditor's report thereon, and recommendation to the Board for adoption and for filing annual reports. Such review should primarily focus on:

- Changes if any, in accounting policies and practices and reasons for the same
- Pre-approval/approval/disclosure of any related party transactions;
- Approval of any subsequent modification of transactions of the listed entity with related parties
- Major accounting entries involving estimates based on the exercise of judgment by the management
- Modified opinion(s), if any, in draft audit report
- Matters required to be included in the director's responsibility statement to be included in the Board's report under Section 134 (3)(c) of the Companies Act, 2013
- Significant adjustments made in the financial statements arising out of audit findings

- Compliance with accounting standards
- Compliance with stock exchange and other regulatory requirements concerning financial statements
- Reviewing the management discussion and analysis of financial condition and results of operations;
- Evaluation of internal financial controls and risk assessment and management systems. The Committee will meet with the management, the internal auditors and the independent auditors to review and discuss the Company's internal controls and the integrity of the Company's audited financial statements. Oversight of the company's financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient and credible.
- Reviewing, with the management, and independent auditors, any prospectus or such other document including financial statements contained therein, proposed to be issued by the company for the purpose of raising capital, including debt;

ii. Relating to Independent Auditors

- Make recommendations to the Board for appointment, retention, termination, remuneration/compensation, and terms of appointment of an independent registered public accounting firm to act as the Company's independent auditor.
- Review with independent auditors the nature and scope of audit coverage, to ascertain adequacy and appropriateness.
- Review management letters/letters of internal control weaknesses issued by the independent auditors.
- Conducting a post-audit review of the financial statements and audit findings, including any significant suggestions for improvements provided to the management by the independent auditor or the internal auditor.
- Reviewing and monitoring the effectiveness of the audit process.
- Assist management in carrying out management's obligation of fostering a culture of co-operation and openness between management, the Committee, independent auditors, internal auditors and other internal and external compliance functions.
- In case the auditors propose to resign before completion of their term, the Committee shall obtain and examine all concerns raised by the auditor such as non-availability of information / noncooperation by the management / any other apprehensions hampering the audit process, and deliberate on them in the immediate next meeting.
- Reviewing the responsibilities, functions, qualifications, performance and adequacy of internal audit function, 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.
- Review with the internal auditor, any audit findings and the management's response.
- Reviewing the appointment, removal and terms of remuneration of the internal auditor.

- Discussing with internal auditors any significant findings relating to internal control weaknesses and follow up thereon. Reviewing internal audit reports relating to internal control weaknesses.
- Reviewing the findings of any 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.

iii. Relating to Internal Controls

- Reviewing with the management, performance of independent and internal auditors and the adequacy of internal control systems.

iv. Relating to the Integrity & Compliance Function of the Company

- Review of compliance with the Company's Code of Conduct and Ethics.
- Establish and review procedures for receiving, retaining and treating complaints received by the Company regarding accounting, internal controls, and auditing matters which shall allow for the confidential, anonymous submission by employees; and
- Review and discuss with the independent auditor, the overall adequacy and effectiveness of the Company's legal, regulatory and ethical compliance programs, including the Code of Conduct and Ethics adopted for the Company's service providers.

v. Other Responsibilities

- Scrutinize inter-corporate loans and investments.
- Oversee the valuation of undertakings or assets of the Company, wherever it is necessary.
- Look in to reasons for substantial defaults in payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividend) and creditors, if any.
- Review the functioning of whistle blower mechanism.
- Carry out any other function as applicable under law or as determined by the Board as per applicable laws.
- Periodically report to the Board or Committee of the Board inter alia all significant matters that have come to the knowledge of the Committee, covering internal controls, financial statements, policies and statutory/regulatory compliances.
