

AUDIT COMMITTEE (AC) CHARTER OF
ATLAS JEWELLERY INDIA LIMITED (AJIL)
[ACC (V04-2021) -27.7.20]

AC Charter- Index

1. Charter Objectives.....	2
2. Definitions.....	2
3. AC operations subject to regulatory frameworks.....	4
4. AC Composition.....	4
5. AC Chairperson.....	4
6. Secretary to AC.....	5
7. Functioning's of the Committee, Proceedings, Quorum, etc.	5
8. Passing Resolutions by Circulation.....	8
9. Proceedings and Minutes of Committee Meeting	8
10. Submission of Committee Proceedings to Board.....	9
11. Matters not to be dealt through video Conferencing (Clause 7.6) Or by Circulation (Clause 8).....	9
12. Chairperson's attendance at General Meetings of the Company [R.18(d) of LODR 2015]	9
13. AC's Key Governance Responsibilities.....	10
14. AC's Terms of Reference.....	11
15. Review/Amendment/Modification.....	13
16. Scope and Limitation	14
17. Version Control.....	14

AJIL- AUDIT COMMITTEE CHARTER (ACC)

1. Charter Objectives

The Audit Committee (AC), which is a sub-committee of the Board of Directors of the Company “Board” is one of the mandatory sub-committees to be constituted by the Company as a measure of better corporate management. Hence this committee is the corner stone of corporate governance.

This Charter therefore seeks to layout the roles and responsibilities of the AC in fulfilling while adhering to its statutory obligations would carry out its responsibilities towards the Board and the Company as excepted of it.

This Charter is not a substitution of the law but only an aid to the AC to fulfil its mandated roles and responsibilities in its true letter and spirit. By which it is meant that the AC is not only required to obey the letter of the law but also ensuring adherence to the literal interpretations of the words of the law as envisaged by the law makers.

2. Definitions

- 2.1 Act means the Companies Act, 2013 and Rules made thereunder, as amended from time to time.
- 2.2 Rules means the Companies (Meetings of Board and its Powers), Rules 2014, as amended from time to time.
- 2.3 Secretarial Standards (SS) **means** the secretarial standards specified by the Institute of Company Secretaries of India (ICSI) and approved as such by the Central Government and amended from time to time under Section 118 (10) of the Act.
- 2.4 LODR 2015, means Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 2.5 Company means ATLAS Jewellery India Ltd. or AJIL.
- 2.6 Directors means a director appointed by the Board of the Company as per Section 2(34) of the Act.
- 2.7 Board of Director, or Board means, the collective body of directors of the Company as per Section 2 (10) of the Act.
- 2.8 AC means Audit Committee of the Company as constituted or reconstituted by the Board, in accordance with the Act and applicable Listing Regulations.
- 2.9 Whole-time Directors includes an “Executive Director” or any other director in the whole-time employment of the Company as per Section 2(94) of the Act.

AJIL- AUDIT COMMITTEE CHARTER (ACC)

2.10 Independent Director’ means a Director referred to in Section 149(6) of the Companies Act, 2013 and rules made there under.

2.11 Key Managerial Personnel (‘KMP’) means those KMP’s covered under section 203 of the Act and includes-

2.11.1 Chief Executive Officer or the Managing Director or the Manager;

2.11.2 Whole-time Director;

2.11.3 Chief Financial Officer;

2.11.4 Company Secretary;

2.11.5 Senior Management Personnel designated as such by the Board; and

2.11.6 Such other officer as may be prescribed.

Senior Management Personnel (SMP) in the Company’s context includes all officers/personnel of the Company who are members of its core management team excluding its Board of Directors.

Core management team shall include the Company Secretary and Chief Financial Officer and all other key officers who are one level below the Chief Executive Officer/ Managing Director/ Whole Time Director/ Manager / functional heads as per the organogram of the Company presently in place.

The present SMP structure of AJIL is as under-

Senior Management Personnel (SMP) (As per present Organogram of AJIL)

Sales & Marketing Division (SMD)	
Designations	Functional Role
President/ CEO	One level below Managing Director/ Executive Director and responsible for Sales & Marketing
Senior Vice President	General Managers/ Divisional Heads
Vice President	Senior Managers/ Zonal Managers/ Regional Heads
Assistant Vice President	Area Sales Managers/ Regional Heads

Support Services Division (SSD)

Designations	Functional Role
Chief Financial Officer	Including Chief Accounts Officer (CAO)
Company Secretary	Company Secretary
General Managers	Divisional Heads/ General Managers
Senior Managers	Functional Heads including Assistant Company Secretary

AJIL- AUDIT COMMITTEE CHARTER (ACC)

2.12 Memorandum & Articles of Association, (MOAOA) refers to the memorandum and articles of association of the Company.

3. AC operations subject to regulatory frameworks

The constitution of the AC being mandatory for our Company both under the Companies Act of 2013 as well under Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR 2015) , its functioning , role and responsibilities would be subject to the below mentioned regulatory requirements-

3.1 Section 177 of the Companies Act, 2013 read with Rule 6 of Companies (Meeting of Board and its Powers) Rules, 2014;

3.2 Secretarial Standards- 1 (SS-1) on meeting of the Board of Directors issued by the Institute of Companies Secretaries of India to the extent applicable;

3.3 Regulation 18 read with Part C (Clause A & B) of schedule II. Part C) deals with role of the committee.

3.4 Clauses 137 to 143 of the Articles of Association of the Company.

3.5 The terms of reference specified by the Board in writing.

4. AC Composition

The constitution of the AC shall adhere to the requirements as under: -

4.1 The AC shall have a minimum of three (03) directors as members.

4.2 Two-thirds of the members of the AC shall be independent directors.

4.3 All members of the AC shall be financially literate and at least one member shall have accounting or related financial management expertise

4.4 The Chairperson of the AC shall be an independent director.

5. AC Chairperson

The Committee may elect a Chairperson of its meetings unless the Board, while constituting the Committee, has appointed a Chairperson of such Committee. [Article 140(1) of the MOAOA] and subject to Clause 4.4 above.

AJIL- AUDIT COMMITTEE CHARTER (ACC)

6. Secretary to AC

- 6.1** The Company Secretary of the Company shall act as the Secretary to the AC.
- 6.2** The Company Secretary cannot summon a Meeting on his own, unless authorised by the Chairperson of the Committee or the Articles to do so.
- 6.3** Notice should be signed and issued by the Company Secretary. Where there is no Company Secretary or in the absence of the Company Secretary by the Chairperson of the Committee or any member of the AC so authorised or any other person so authorised by the Board in this behalf.

7. Functioning's of the Committee, Proceedings, Quorum, etc.

7.1 Minimum Number of Meetings

The AC shall meet at least four times in a year and not more than one hundred and twenty (120) days shall elapse between two meetings. [R18(2)(a) LODR 2015]

7.2 Maintaining high Corporate Governance Standards

AC being a sub-committee of the Board, it is expected to adhere to all the provisions as applicable to meetings of the Board, including Secretarial Standards -1 (SS-1 on Meeting of its Board of Directors) to the extent applicable to it.

Questions arising at any meeting of the Committee shall be determined by a majority of votes of the members present. [141(2) of MOAOA]

7.3 Conflict of Interest

Committee Members including its Chairman/ Chairperson shall avoid any situation that may give rise to a conflict of interest or the appearance of a conflict of interest. If an actual or potential conflict of interest arises, the Members/ Chairman/ Chairperson shall promptly inform the Committee members present in the meeting and shall recuse himself or herself from any Committee deliberations or decisions related to the matter that is the subject of the conflict of interest.

7.4 Quorum

- 7.4.1** The quorum for its meetings shall be either two-members or one-third of its member strength, whichever is higher. No meetings can be held without the presence of at least two independent directors of the Company.

AJIL- AUDIT COMMITTEE CHARTER (ACC)

7.4.2 If the number of Interested Directors exceeds or is equal to two-thirds of the total strength, the remaining Directors present at the Meeting, being not less than two, shall be the Quorum during such item/ discussion, provided both of them are independent directors.

7.4.3 In a situation where the Quorum excluding the Interested Directors is less than two, the item may be put up to the Board of the Company for its consideration.

7.4.4 In order that a Meeting may be properly constituted, and the business be validly transacted, Quorum should be present throughout the meeting.

7.5 Attendance & Leave of Absence

7.5.1 All the AC members should strive to be present at the meeting of the Committee.

7.5.2 Request for leave of absence may be either oral or written. Any such request received should be mentioned at the Meeting and should be recorded in the Minutes of the Meeting, with the names of directors' present at the meeting and those who have been granted leave of absence.

7.6 Meeting through Video Conferencing

The AC, if deems expedient can hold its meetings through video conferencing or other audio-visual means in adherence with the requirements of Rule 3 & 4 of the Companies (Meetings of Board and its Powers) Rules 2014 to the extent applicable to it and subject to Clause 11, hereinbelow.

7.7 Notice of Meeting

7.7.1 The AC meetings ordinarily shall be called by giving not less than seven (07) days' notice in writing.

7.7.2 A shorter notice to transact urgent business can also be given subject to the condition that at least one independent director shall be present at the meeting.

7.8 Agenda Items

7.8.1 The Committee Chairperson shall in consultation with other members establish an agenda for each meeting of the Committee, which may include matters additional to those contemplated under the statute.

7.8.2 Any member of the committee may not less than two (02) working days of the meeting date suggest the addition of any matters to a meeting agenda. The same shall be included as part of the agenda item as per the sole discretion of the

AJIL- AUDIT COMMITTEE CHARTER (ACC)

Committee Chairperson taking into consideration the points covered under Clause 7.8.3 hereinbelow.

7.8.3 Any item not part of the Agenda item and sought to be discussed at the meeting, shall be only allowed at the sole discretion of the Committee Chairperson and with the approval of all the directors present at the meeting.

7.9 Circulation of Notices & Committee Meeting Packs

Normally as part of the “**Go Green Initiative**” all AC meeting notices/ Committee Meeting Packs / other related information shall be sent by electronic mail to the committee members by the Committee Chairperson or by the Company Secretary authorised in this behalf.

7.10 Designated/Company provided E-Mail Ids

To maintain necessary levels of confidentiality and to ensuring sensitive and inside trading information not being leaked out, the members are expected to use the company provided e-mails to receive and communicate with the Company. The consequences and responsibilities (regulatory or otherwise) of not using the company provided e-mail ids is solely on the member concerned. The Company would not be held liable for the same.

7.11 Seeking Clarifications/ Raising Concerns

In case of any doubts/ concerns the Committee, Members are expected to seek clarifications from the Committee Chairperson or the Company Secretary. The responsibility to do so, lies with the Committee Member/s.

7.12 Committee Chairperson and matters connected thereof

7.12.1 If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting. [Article 140(2) of MOAOA] and subject to Clause 5 hereinabove.

7.12.2 In case of an equality of votes, the Chairperson of the Committee shall have a second or casting vote. [141(3) of MOAOA]

7.13 Adjourned Committee Meetings

7.13.1 A Committee may meet and adjourn as it thinks fit. [Article 141(1) of MOAOA]

7.13.2 Meeting which has been validly summoned or convened, and where the requisite Quorum is present, may still be adjourned by the Chairperson for any reason,

AJIL- AUDIT COMMITTEE CHARTER (ACC)

unless a majority of the Directors present at the Meeting dissent or object to such adjournment. [Clause 1.1.2 of SS-1]

7.13.3 In respect of a Meeting adjourned for want of Quorum, a statement to that effect by the Chairperson or in his absence, by any other Director present at the Meeting shall be recorded in the Minutes.

7.13.4 The Minutes of the adjourned Meeting should be prepared separately and in the same manner as the Minutes of the original Meeting and the fact that the Meeting is an adjourned Meeting should be specified in such Minutes.

7.13.5 For the purpose of recording the time of conclusion of the Meeting which has been adjourned, the time at which such Meeting was adjourned should be recorded.

8. Passing Resolutions by Circulation

8.1 The Committee can may also approve matters through passing's resolutions by circulation, while ensuring compliance with Section 175 read with Rule 5 and SS-1 to the extent applicable to it and subject to Clause 11, hereinbelow.

8.2 Normally the draft resolution and necessary papers for seeking the said approval shall be circulated by electronic means which includes electronic mail.

8.3 The committee members decision shall be confirmed by him/her within **seven (07)** days of receipt of the same or some reasonable as may be decided by the AC. Failing which his approval shall be presumed.

9. Proceedings and Minutes of Committee Meeting

9.1 Proceedings- since the same is required to be submitted to the Board, the same shall be signed by the Committee Chairperson, who had chaired in the said meeting. And incase of incapacity or reasons beyond the control by the Chairperson by all the Committee Members present at the meeting before the same is submitted to the Board.

9.2 The draft minutes of the meeting shall be circulated among all members of the committee within fifteen (15) days of the meeting either in writing or electronic mode as per normal practice. Every member who attended the meeting shall confirm or give his comments in writing, about the accuracy or recordings of the proceedings of that particular meeting in the draft minutes, within seven (07) days or some reasonable time as decided by the AC, after receipt of the draft minutes. Failing which his approval shall be presumed.

9.3 The Chairperson of the meeting shall have the absolute discretion to the inclusion or non-inclusion of any matter in the minutes, which in his/her opinion-

AJIL- AUDIT COMMITTEE CHARTER (ACC)

- a. Is or could be reasonably regarded as defamatory or any person, or
- b. Is irrelevant or immaterial to the proceedings; or
- c. Is detrimental to the interests of the Company.

10. Submission of Committee Proceedings to Board

10.1 The Committee shall record its summaries of recommendation to the Board, which will be incorporated as a part of the Minutes of the Board of Director's Meetings of the Company.

10.2 Subsequently once the minutes of the meeting are signed, they shall be submitted to the Board meeting held immediately after the signing date and taken on record at the said Board Meeting.

11. Matters not to be dealt through video Conferencing (Clause 7.6) Or by Circulation (Clause 8)

The below mentioned items should only be transacted at a physical meeting convened for the said purposes-

- a. The approval of the annual financial statements;
- b. The approval of the prospectus;
- c. The Committee meetings for consideration of accounts and
- d. Matters relating to amalgamation, merger, demerger, acquisition and takeover.

12. Chairperson's attendance at General Meetings of the Company [R.18(d) of LODR 2015]

12.1 It is expected of the Committee Chairperson to be present at all general meetings of the Company (Annual or Extraordinary or other general meetings of members of the Company).

12.2 Incase due to exigence's or incapacities or reasons beyond his/her control the Committee Chairperson is unable to attend the said meetings, he/she shall

12.2.1 Communicate his/her inability to attend in writing, electronic or otherwise at the earliest but not less than 48 hours from the meeting time.

AJIL- AUDIT COMMITTEE CHARTER (ACC)

12.2.2 The communication shall be addressed to the Board Chairman or the Company Secretary as the case may be.

12.3 The Committee Chairperson inability to attend the meeting on the ground/s envisaged under Point 12.2. above shall simultaneously —

12.3.1 also be required to nominate and authorise any other members of the NRC to represent him and attend the general meeting on his behalf.

12.3.2 Such Authorisation/Nomination shall be forwarded to the Board Chairman/ Company Secretary at the earliest, but not later than forty-eight (48) hours before the designated meeting commencement time.

13. AC's Key Governance Responsibilities

In executing its governance responsibilities as envisaged under the statute books as well as to support the needs of the Board and management of the Company, its key deliverables can be broadly classified as under-

- a) Financial reporting and related internal controls monitoring;
- b) Risk assessment and Risk management, with oversight on policies and procedures related thereto;
- c) overseeing the internal and independent auditors and their effectiveness in carrying out the assurances processes.
- d) Oversight and guidance on M& A transactions both at pre and post levels.
- e) Oversee the Whistle Blower Mechanism of the Company.
- f) Finance Function & Relationship
 - The audit committee relies significantly on the finance function and needs to maintain an open and effective relationship with them.
 - Their oversight can contribute to the finance organization's interest in having the right resources available to support the quality and reliability of financial accounting, reporting, and related controls. Audit committees may also provide input on the assessment and compensation of finance professionals who they interact with regularly.

AJIL- AUDIT COMMITTEE CHARTER (ACC)**g) Investigative Powers**

The Committee also has the authority to investigate any matter under its oversight suo-moto in addition to any matter referred to it by the Board.

14. AC's Terms of Reference

The terms of reference for the Committee shall be as under

14.1 Financial Statements & Auditors Report thereon

14.1.1 Oversight of the Companies financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

14.1.2 Reviewing with the management, the quarterly financial statements and annual financial statement and draft auditor's report thereon before submission of the same to the board for approval with particular reference to Sec.135(3)(c) of the Act [Director's Responsibility Statement R/w. 135(5) of the Act]

14.1.3 Reviewing with Board management discussion analysis of financial condition and results of operations.

14.1.4 Statement of significant related party transactions submitted by management.

14.1.5 Statement of deviations

- Submitted to Stock Exchanges under R.32(1) of LODR 2015 [quarterly statements including reports of monitoring agencies].
- Fund utilization statements in terms of R.32(7) of LODR 2015.

14.1.6 Management response to Auditor's observations in the Audit reports (both internal as well as statutory auditors)

14.2 Matters connected with Statutory and Internal Auditors

14.2.1 Recommendations related to Auditor's- Appointment, Remuneration and term of appointment;

14.2.2 Approval of payments to Statutory Auditors for any other services rendered by them;

14.2.3 Reviewing with management the performance of auditors.

AJIL- AUDIT COMMITTEE CHARTER (ACC)

14.2.4 Review and monitor the auditor's independence and performance, and effectiveness of audit process.

14.2.5 Review management letters/ letters of internal weaknesses issued by the statutory auditors.

14.3 Internal Controls and Risk Management Systems

14.3.1 Reviewing the adequacy of the internal audit function, if any, including the structure of the internal audit department, staffing, seniority of the official heading the department, reporting structure, coverage and scope and frequency of audit.

14.3.2 Review the appointment, removal and terms of remuneration of the Chief Internal Auditor

14.3.3 Discussions with internal auditors including their reports/findings/ etc. and maintaining a follow-up on closure of all adverse findings/ conformities.

14.3.4 Evaluation of internal financial controls and risk management systems in vogue in the Company.

14.4 Event based Scrutiny

14.4.1 Inter-corporate loans and investment;

14.4.2 Valuation of undertaking or assets of the Company;

14.4.3 End-use of funds raised through public offers and related matters.

14.4.4 Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary 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.

14.5 Matters connected with Vigil Mechanism Policy

14.5.1 Reviewing the functioning of the Policy;

14.5.2 The Audit Committee Chairperson shall be the "Ombudsperson" as provided in Clause 6.2 of the Vigil Mechanism Policy of the Company.

AJIL- AUDIT COMMITTEE CHARTER (ACC)

14.6 Finance Function Relationship

14.6.1 Their oversight can contribute to the finance organization's interest in having the right resources available to support the quality and reliability of financial accounting, reporting, and related controls.

14.6.2 Audit committees may also provide input on the assessment and compensation of finance professionals who they interact with regularly.

14.7 Investigative Responsibilities

14.7.1 It shall have the authority to investigate into any matter in relation to the items specified under this **Clause 14 "AC's Terms of Reference"**;

14.7.2 Investigate any other matter referred to it by the Board.

14.7.3 For its investigative need the Committee shall have full access to information's/records of the Company as requisitioned by the Committee.

14.8 Other Responsibilities

14.8.1 The Committee shall consider and oversee the implementation of the objectives stated in this Charter.

14.8.2 Providing periodical updates to the Board.

14.8.3 Shall perform any other function required under

- SEBI Regulations;
- The Companies Act 2013 and Rules made thereunder;
- Stock Exchange Regulations wherein the Companies' shares are listed;
- Directions of the Board of the Company and
- Any other law as applicable.

15. Review/Amendment/Modification

15.1 The adequacy of this Charter Document shall be reviewed and reassessed at periodic intervals by AC as deemed appropriate.

15.2 Reviews and recommendations by AC shall be forwarded to the Board for its consideration and approvals.

16. Scope and Limitation

16.1 This Charter Document of the Audit Committee Charter (ACC) is framed based on the provisions of the Companies Act, 2013 and rules thereunder and the requirements of Listing Regulations with the Stock Exchanges.

16.2 In case of any subsequent changes in the provisions of the Companies Act, 2013 or any other regulations which makes any of the provisions in the policy inconsistent with the Act or regulations, then the provisions of the Act or regulations would prevail over the policy and the provisions in the policy would be modified in due course to make it consistent with law.

16.3 The right to interpret this Charter rests with the Committee or the Board.

17. Version Control

Sl. No	Version	Recommended (by AC)	Approved (By Board)	Effective From (Date)
1	Previous Version: ACC/V03/1718	11-Dec-2017	12-Dec-2017	12-Dec-2017
2	Amended Version: ACC(V04-2021)	27-July-2020	27-July-2020	27-July-2020