
SAHANARATNABH LIMITED

*(*Formerly known as SAHANARATNABH PRIVATE LIMITED*)*

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AUDIT COMMITTEE CHARTER

Document Summary

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SAHANARATNABH LIMITED

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AUDIT COMMITTEE CHARTER

BACKGROUND

Audit Committee Charter of Sahanaratnabh Limited (the "Company") is being formulated in terms of Section 177 of the Companies Act, 2013 *("the Act")* as amended from time to time.

An "**Audit Committee**" is a key element in the Corporate Governance process of any organization and acts as a link among the Management, the Statutory Auditors, Internal Auditors and the Board of Directors to oversee the financial reporting process of the Company.

The primary purpose of an Audit Committee is to provide oversight of the financial reporting process, the audit process, the system of internal controls and compliance with laws and regulations.

An Audit Committee Charter sets forth the general purpose, authority, composition and responsibilities of the committee.

Objectives: -

The role of the Audit Committee is to overview function on corporate governance, which holds the Management accountable to the Board and the Board, in turn, accountable to the shareholders.

The primary role of the Audit Committee is that of assisting the Board of Directors in overseeing the: -

- Integrity of the Company's financial statements;
- Compliance with legal and regulatory requirements and the Code of Conduct;
- Qualification and independence of the statutory auditors;
- Performance of the Company's statutory auditors and the Internal Audit function; and
- Adequacy and reliability of the internal control system.

Composition: -

As per section 177 of the Companies Act, 2013, The Board of Directors of every listed company and such other class or classes of companies, as may be prescribed, shall constitute an Audit Committee. The Audit Committee shall consist of a minimum of three directors with independent directors forming a majority: Provided that majority of members of Audit Committee including its Chairperson shall be persons with ability to read and understand, the financial statement.

Our Audit Committee was reconstituted pursuant to a resolution of our Board Meeting dated 02.11.2026. The Audit Committee comprises of:

Name of Director	Designation in Committee	Nature of Directorship
Divya Kalra	Chairperson	Non-executive Independent Director
Shashank Garg	Member	Non-executive Independent Director
Shubhendu Goyal	Member	Managing Director

The Company Secretary of the Company shall act as the Secretary of the Audit Committee.

Secretary: -

The Company Secretary shall act as the Secretary to the Committee Meetings.

Quorum: -

The quorum necessary for transacting business at a meeting of the Committee shall be two members or one-third of the members of the Audit Committee; whichever is greater. A duly convened meeting of the Committee at which the requisite quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

Meetings

The Committee shall meet at least 4 times in a year and not more than 4 months shall elapse between two successive meetings.

The Committee shall meet periodically with management, the internal auditor and the statutory auditor as deemed fit by it.

The Auditors and the Chief Financial Officer shall attend and participate at meetings of the Committee. The Committee may invite such of the executives, as it considers appropriate, to be present at the meetings. The right to vote shall vest only in the members of the Committee.

The Committee shall meet with the representatives of the Company's major subsidiaries regarding their systems of internal control, results of audits and integrity of financial reporting.

Annual General Meeting: -

The Chairman of the Committee shall attend the Annual General Meeting to answer shareholder queries and provide any clarifications on matters relating to audit.

Power: -

The Audit Committee shall have powers, including 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; and

- To secure attendance of outsiders with relevant expertise, if it considers necessary.
- Such other powers as may be prescribed under the Companies Act and the SEBI Listing Regulations.

Role & Responsibilities: -

A. The role of the Audit Committee shall include the following:

- oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient, and credible;
- recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
- approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- reviewing, with the management, the annual financial statements and auditors' 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 Section 134(3)(c) of the Companies Act, 2013;
  - 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 management;
  - 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;
  - modified opinion(s) in this draft audit report;
- reviewing, with the management, the quarterly 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 utilized for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public issue or rights issue or preferential issue or qualified institutions placement, 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;
- approval or any subsequent modification of transactions of the listed entity with related parties;
- scrutiny of inter-corporate loans and investments;
- valuation of undertakings or assets of the listed entity, 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 there on;
- 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;
- to look 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;
- to review the functioning of the whistle blower mechanism;
- approval of appointment of chief financial officer after assessing the qualifications, experience, and background, etc. of the candidate;
- 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 of coming into force of this provision.
- consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.
- review the financial statements, in particular, the investments made by any unlisted subsidiary;
- considering and commenting on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders;

- approving the key performance indicators ("KPIs") for disclosure in the offer documents, and approval of KPIs once every year, or as may be required under applicable law, and
- carrying out any other functions required to be carried out by the Audit Committee as may be decided by the Board and/or as provided under the Companies Act, 2013, the SEBI Listing Regulations or any other applicable law, as and when amended from time to time.
- mandatorily review the following information:
  a. Management discussion and analysis of financial condition and results of operations;
  b. Management letters / letters of internal control weaknesses issued by the statutory auditors;
  c. Internal audit reports relating to internal control weaknesses;
  d. The appointment, removal and terms of remuneration of the chief internal auditor; and
  e. Statement of deviations in terms of the SEBI Listing Regulations:
  f. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) where the Equity Shares are proposed to be listed in terms of the SEBI Listing Regulations;
  g. annual statement of funds utilised for purposes other than those stated in the offer document/
  prospectus/ notice in terms of the SEBI Listing Regulations;
  h. such information as may be prescribed under the Companies Act and the SEBI Listing Regulations.

- To recommend to the Board, code of insider trading of the Company and to supervise implementation of the insider trading code including the following:
  a) To monitor, review, assess the policies and procedures relating to the proper functioning of the system for prevention of insider trading.
  b) To note the status reports detailing the dealings by designated persons in securities of the Company.
  c) To provide directions on any penal action to be initiated, in case of any violation of the SEBI insider trading
  regulations by any person".

- carrying out any other function as is mentioned in the terms of reference of the audit committee.

As required under Regulation 18 of the SEBI LODR Regulations, 2015 (if applicable), the Audit Committee shall meet at least four times in a year, and not more than one hundred

and twenty days shall elapse between two meetings. The quorum of the meeting shall be either two members present, or one-third of the members, whichever is greater, provided that there should be a minimum of two independent directors present.

Statutory Audit

- Recommend to the Board, the appointment, re-appointment, removal of the statutory auditors, fixation of audit fee and also approval for payment for any other services rendered by the Statutory Auditors.
- While considering such appointment, the Committee shall consider:
  - Whether the qualifications and experience of the auditors is commensurate with the size and requirements of the Company;
  - Any order or pending proceeding relating to professional matters of conduct against the proposed auditor before the Institute of Chartered Accountants of India or any competent authority or any Court.

The Committee may call for other information from the proposed Auditors as it may deem fit.

- Evaluate auditors' performance, qualification and independence;
- Discuss with Statutory Auditors regarding critical accounting policies and practices and treatments of financial information within GAAP.
- Discuss with Statutory Auditors in respect of the nature and scope of audit as well as audit discussion and review to ascertain any area of concern.
- Review with Statutory Auditor, any audit problems or difficulties and management's response.
- Resolve any disagreements of the Statutory Auditor with the management regarding financial reporting.
- Review and suitably reply to the report(s) forwarded by the auditors on the matters where the auditors have sufficient reasons to believe that an offence involving fraud, is being or has been committed against the company by officers or employees of the company. Such reply should be forwarded within prescribed period.

Cost Audit

- Recommend to the Board, the appointment, re-appointment, removal of the cost auditors, fixation of audit fee, nature and scope of cost audit and also approve rendering of any other services by the cost auditors and fees pertaining thereto. It shall ensure that the Cost Auditors are independent, have arm's length relationship and are also not otherwise disqualified at the time of their appointment or during their tenure.
- In order that 'arm's length relationship' is in fact ensured, the Cost Auditors, appointed under sub-section (3) of Section 148 of the Companies Act, 2013, shall not provide any other services to the Company relating to (i) design and implementation of cost accounting system; or (ii) the maintenance of cost accounting records, or (iii) act as internal auditor, whether acting individually, or through the same firm or through other group firms where he or any partner has any common interest.
- Review and recommend the Cost Audit Report to the Board.

Internal Audit

- Review on a regular basis the adequacy of internal audit function, including the internal audit charter, the structure of the internal audit department, approval of the audit plan and its execution, staffing and seniority of the official heading the department, reporting structure, budget, coverage and frequency of internal audit;
- Review the appointment, removal, performance and terms of remuneration of the Chief Internal Auditor.
- Review the regular internal reports to management prepared by the internal audit department, as well as management's response thereto.
- Review 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.
- Discuss with internal auditors any significant findings and follow-up thereon.
- Review Internal Audit Reports relating to the internal control weaknesses.

Internal Control

- Review with the management, external and internal auditors, the scope of internal audit, adequacy of internal control systems and ensure adherence thereto and any other related issues;
- Review management letters / letters of internal control weaknesses issued by statutory / internal auditors;

- Review management's report on internal control and external auditor's attestation/observations on management's assertion;
- Evaluation of Internal Financial Controls.

Whistle blowing/vigil mechanism:

- The Committee shall review the Company's arrangements for its directors and employees to raise concerns, in confidence, about possible wrong doing in financial reporting, accounting, auditing or other related matters. The mechanism shall provide adequate safeguards against victimization of persons who use such mechanism and make provision for direct access to the Chairman of the Audit Committee in appropriate or exceptional cases. The Committee shall ensure that these arrangements allow independent investigation of such matters and appropriate follow up action. In case of any conflict of interest, the Committee Members would disassociate from such investigation.

Insider Trading

- To approve policies in relation to the implementation of the Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices ('Code') and to supervise implementation of the Code.
- To note and take on record the status reports, detailing the dealings by Designated Persons in Securities of the Company, as submitted by the Compliance Officer on a quarterly basis.
- To provide directions on any penal action to be initiated, in case of any violation of the SEBI (Prohibition of Insider Trading) Regulations or the Code, by any person.

Compliance with regulatory requirements and policies: -

- Review the effectiveness of the system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up *(including disciplinary action)* of any instances of non-compliance.
- Review the findings of any examinations by regulatory agencies, and any auditor observations.
- Review the process of communicating the Code of Conduct to employees and the mechanism for its adherence.
- Review the report of the Monitoring Agency appointed by the Company, to monitor the utilization of proceeds of such public / rights issue and make appropriate recommendations to the Board.

- Obtain regular updates from management and company legal counsel regarding compliance matters.
- Review the valuation of undertakings or assets of the Company, wherever it is necessary.
- Review the system of storage and retrieval, display or printout of books of accounts maintained in electronic mode during the required period under law.

Risk Management

- Evaluate Risk Management System.
- Discuss with the management, the Company's policies with respect to risk assessment and risk management, including appropriate guidelines to govern the process, as well as the Company's major financial risk exposures including policy for foreign exchange and derivative transactions and the steps management has undertaken to control them.

Related party transactions

- Review the statement of significant related party transactions submitted by the management, including the 'significant' criteria/thresholds decided by the management;
- The following details shall be placed periodically before the Audit Committee to oversee the potential conflict of interest situation:
  - A statement in summary form of transactions with related parties in the ordinary course of business;
  - Details of material individual transactions with related parties which are not in the normal course of business;
  - Details of material individual transactions with related parties or others, which are not on arm's length basis, together with Management's justification for the same.
  - Approval of all or any subsequent modification of transactions with related parties.

Subsidiary company oversight

- Review the financial statements, in particular, the investments made by the unlisted subsidiary companies;
- The appointment, compensation, oversight of the auditor's work, etc., for each subsidiary company needs to be covered by the Audit Committee of the Company as well as the Audit Committees of the respective subsidiaries. Hence, a working procedure has been evolved, which facilitates such a dual oversight/compliance.

The following functions for each subsidiary company will be performed / reviewed by the Audit Committee of the respective subsidiary company and that of the Company:

a) In regard to Statutory Audit:

(i). Appointment of the auditors

(ii). Fixation of remuneration of the auditors

(iii). Pre-approval of all services

(iv). Compliance regarding 'prohibited service', as defined in the said Policy

(v). Review / oversight of the work done by the auditors.

b) In regard to Internal Audit:

(i). Review the adequacy of structure and function of the Internal Audit, status of audit plan and its execution.

(ii). Review key Internal Audit observations along with management response thereto.

(iii). Review the status on compliance with the Sahanaratnabh Limited Code of Conduct (concern resolution mechanism), risk management and the control environment.

Reporting: -

The Audit Committee Will Report and update the Board, periodically, on various matters that it has considered as well as on the independence of the Auditors.

The Annual Report of the Company shall disclose the composition of the Audit Committee, brief description of the scope of the Audit Committee Charter, names of members, Chairperson, meetings and attendance.

The recommendations of the Audit Committee on any matter relating to financial management including the audit report, shall be binding on the Board. If the Board does not accept the recommendations of the Audit Committee, it shall record the reasons thereof and communicate such reasons to the shareholders.

Reporting regularly to the Board with respect to:

- The quality or integrity of the Company's financial statements;
- The Company's compliance with legal or regulatory requirements;
- The performance of the external auditor as well as the Internal Audit Function; and
- 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.

Other Functions: -

Perform other activities related to this Charter as requested by the Board of Directors.

Carry out additional functions as is contained in the listing Regulation or other regulatory requirements applicable to the Company or in the terms of reference of the Audit Committee.

Institute and oversee special investigations as needed.

Reports: -

The Audit Committee will record its summaries of recommendations to the Board which will be incorporated as a part of the minutes of the Board of Directors meeting.

Evaluation: -

Conduct an annual performance evaluation relative to the Audit Committee's purpose, duties, responsibilities and effectiveness and recommend any changes it considers necessary for the approval of the Board of Directors.

The Audit Committee may conduct such evaluation and reviews in such manner as it deems appropriate.

Review of Audit Committee Charter: -

The adequacy of this charter shall be reviewed and reassessed by the Audit Committee, at least annually, and appropriate recommendations shall be made to the Board to update the same based on the changes that may be brought about to the regulatory framework, from time to time.

Dissemination of the Audit Committee Charter

The policy shall be hosted on the website of the Company.

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Footnote

1. The Board of Directors of Sahanaratnabh Limited at its meeting held on 2nd November, 2026, has adopted the amended Policy.

SAHANARATNABH LIMITED MUMBAI