

**ATHARV ENTERPRISES LIMITED**  
**CORPORATE GOVERNANCE POLICY**

The provisions of the SEBI Listing Regulations and the Companies Act with respect to corporate governance will be applicable to us immediately upon the listing of our Equity Shares on the Stock Exchange.

We are in compliance with the requirements of the applicable regulations, including the SEBI Listing Regulations, Companies Act and the SEBI ICDR Regulations, in respect of corporate governance including constitution of our Board and Committees thereof. Our corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board Committees, as required under law.

Our Board is constituted in compliance with the provisions of the Companies Act and the SEBI Listing Regulations and our Company undertakes to take all necessary steps to continue to comply with all the requirements of the SEBI Listing Regulations and the Companies Act. Our Board functions either directly, or through various committees constituted to oversee specific operational areas.

As on date of this Draft Prospectus, our Board has 4 (Four) Directors, comprising 1 (One) Managing Director, 1 (One) Non- Executive Director and 2 (Two) Independent Directors. We have 1 (One) Woman Director on our Board amongst these.

### **Committees of our Board**

We have constituted the following committees of our Board of Directors for compliance with Corporate Governance requirements:

1. Audit Committee
2. Stakeholder's Relationship Committee
3. Nomination and Remuneration Committee

#### **1. Audit Committee**

The Audit Committee of our Board was constituted by our Directors by a board resolution pursuant to section 177 of the Companies Act, 2013. The Audit Committee of the Company, comprises of 3 (three) Non-Executive Independent Directors. The Audit Committee comprises of:

Name	Nature Of Directorship	Designation In Committee	Date Of Appointment	Date of Cessation
Jagdish Chandra Gadiya	Non-Executive - Non-Independent Director	Member	01-08-2018	
Harish Sharma	Non-Executive - Independent Director	Chairperson	09-07-2020	
Navneet Sharma	Non-Executive - Independent Director	Member	09-07-2020	
Nikhil Kumar Tank	Non-Executive - Independent Director	Member	29-07-2021	

The scope of Audit Committee shall include but shall not be restricted to the following:

1. oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. approve payment to statutory auditors for any other services rendered by the statutory auditors;
4. review, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a) 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, 2013;
  - b) changes, if any, in accounting policies and practices and reasons for the same;
  - c) major accounting entries involving estimates based on the exercise of judgment by management;
  - d) significant adjustments made in the financial statements arising out of audit findings;
  - e) compliance with listing and other legal requirements relating to financial statements;
  - f) disclosure of any related party transactions;
  - g) modified opinion(s) in the draft audit report;
5. review, with the management, the quarterly financial statements before submission to the board for approval;
6. review, 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 or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
7. review and monitor the auditor's independence and performance, and effectiveness of audit processes;
8. Subject to and conditional upon approval of our Board, approval of related party transactions or subsequent modifications thereto. Such approval can be in the form of omnibus approval of related party transactions, subject to conditions not inconsistent with the conditions specified in Regulation 23(2) and Regulation 23(3) of the SEBI LODR Regulations;
9. Subject to review by our Board, review on quarterly basis, of related party transactions entered into by our Company pursuant to each omnibus approval given pursuant to 6 above;  
Explanation: The term "related party transactions" shall have the same meaning as provided in Clause 2(zc) of the SEBI LODR Regulations and/or the applicable Accounting Standards and/or the Companies Act, 2013.
10. scrutinize inter-corporate loans and investments;

11. valuation of undertakings or assets of the Company, wherever it is necessary;
12. evaluation of internal financial controls and risk management systems;
13. review, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
14. review 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;
15. discussion with internal auditors of any significant findings and follow up thereon;
16. 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;
17. 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;
18. 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;
19. to review the functioning of the whistleblower mechanism;
20. oversee the procedures and processes established to attend to issues relating to the maintenance of books of accounts, administrative procedures, transactions and other matters having a bearing on the financial position of our company, whether raised by the auditors or by any other person;
21. act as a compliance committee to discuss the level of compliance in our Company and any associated risks and to monitor and report to the Board on any significant compliance breaches;
22. approve the appointment of chief financial officer (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;
23. oversee the vigil mechanism established by our Company and the chairman of audit committee shall directly hear grievances of victimization of employees and directors, whose vigil mechanism to report genuine concerns; and
24. carrying out any other function 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 of directors of our company or specified/provided under the Companies Act, 2013 or by the SEBI LODR Regulations or by any other regulatory authority.

#### Meeting of Audit Committee

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 shall be either two members or one third of the members of the audit committee whichever is greater, but there shall be a minimum of two independent members present.

## 2. Stakeholders Relationship Committee

The Stakeholders Relationship Committee of our Board were constituted by our Directors pursuant to section 178 (5) of the Companies Act, 2013 by a board resolution. The Shareholder and Investor Grievance Committee comprises of:

Name	Nature Of Directorship	Designation In Committee	Date Of Appointment	Date of Cessation
Jagdish Chandra Gadiya	Non-Executive - Non-Independent Director	Member	01-08-2018	
Harish Sharma	Non-Executive - Independent Director	Member	09-07-2020	
Navneet Sharma	Non-Executive - Independent Director	Member	09-07-2020	
Nikhil Kumar Tank	Non-Executive - Independent Director	Chairperson	29-07-2021	

This Committee will address all grievances of Shareholders/Investors and its terms of reference include following:

1. consider and resolve the grievances of security holders of the Company including Investors' Complaints;
2. allotment, transfer of shares including transmission, splitting of shares, changing joint holding into single holding and vice versa, issue of duplicate shares in lieu of those torn, destroyed, lost or defaced or where the entries in the reverse for recording transfers have been fully utilized;
3. redressing of shareholders and investors complaints such as non-receipt of declared dividend, annual report, transfer of Equity shares and issue of duplicate/split/consolidated share certificates;
4. monitoring transfers, transmissions, dematerialization, rematerialization, splitting and consolidation of Equity Shares and other securities issued by our Company, including review of cases for refusal of transfer/transmission of shares and debentures;
5. reference to statutory and regulatory authorities regarding investor grievances;
6. to otherwise ensure proper and timely attendance and redressal of investor queries and grievances; and
7. any other power specifically assigned by the Board of Directors of the Company from time to time by way of resolution passed by it in a duly conducted meeting.
8. to do all such acts, things or deeds as may be necessary or incidental to the exercise of the above powers.

The Committee shall meet at least once in a year.

The Company Secretary of our Company shall act as the Secretary to the Committee.

### **Quorum and Meetings**

The quorum necessary for a meeting of the Stakeholders Relationship Committee shall be two members or one third of the members, whichever is greater.

### **3. Nomination and Remuneration Committee**

The Nomination and Remuneration Committee of four Board was constituted by our Directors pursuant to section 178 of the Companies Act, 2013 by a board resolution

The Nomination and Remuneration Committee currently comprises of:

Name	Nature Of Directorship	Designation In Committee	Date Of Appointment	Date of Cessation
Jagdish Chandra Gadiya	Non-Executive - Non-Independent Director	Member	01-08-2018	
Harish Sharma	Non-Executive - Independent Director	Member	09-07-2020	
Navneet Sharma	Non-Executive - Independent Director	Chairperson	09-07-2020	
Nikhil Kumar Tank	Non-Executive - Independent Director	Member	29-07-2021	

#### **The terms of reference of the Nomination and Remuneration Committee include the following:**

1. formulating and recommending to the Board of Directors for its approval and also to review from time to time, a nomination and remuneration policy or processes, as may be required pursuant to the provisions of the Companies Act;
2. formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
3. identifying persons who are qualified to become directors and persons whom may be appointed in senior management position in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
4. determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
5. formulation of criteria for evaluation of performance of independent directors and the board of directors;
6. recommending to the board, all remuneration, in whatever form, payable to senior management.
7. recommending to the Board, qualifications, appointment, remuneration and removal of Directors, key management personnel and persons in senior management positions in accordance with the nomination and remuneration policy;
8. devising a policy on diversity of board of directors;
9. carrying out performance evaluation of every Director in accordance with the nomination and remuneration policy;
10. considering grant of stock options to the eligible Directors, formulating detailed terms and conditions

nsoremployee stock options scheme and administering and exercising superintendence over employee stock options schemes;

11. engaging the services of any consultant/professional or other agency for the purpose of recommending compensation structure/policy; and
12. Performing such other activities as may be delegated by the Board or specified or provided under the Companies Act, 2013 or the SEBI LODR Regulations, and the rules and regulations made thereunder or other applicable law, including any amendments thereto as may be made from time to time.

### **Quorum and Meetings**

The quorum necessary for a meeting of the Nomination and Remuneration Committee shall be three non-executive directors out of which two shall be the Independent Directors. The Chairman of the Committee shall be an Independent Director. The Committee is required to meet at least once a year.

The Company Secretary of our Company shall act as the Secretary to the Committee.

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