



CIN: U74101UP2011PLC047839

AUDIT COMMITTEE POLICY

1. PREAMBLE:

The Board of Directors ("Board") of Abacus Lifestyle Brands Limited (Formerly known as Abacus Lifestyle Brands Private Limited) ("the Company") has constituted the Audit Committee ("Committee") in accordance with the provisions of Section 177 of the Companies Act, 2013 read with the rules made thereunder, and Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), each as amended from time to time.

2. TERMS OF REFERENCE:

The broad terms of reference of the Audit Committee is as follows:

- 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.
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Review, 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 Directors' Responsibility Statement to be included in the Board's report in terms of clause(c) of sub-section (3) of Section 134 of the 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 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 the draft audit report.
- Review, with the management, the quarterly financial statements before submission to the Board for approval.
- 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 utilised 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.
- Review and monitor the auditors' independence and performance, and effectiveness of audit process.

- Approval or any subsequent modification of transactions of the Company with related parties.
- Scrutiny of inter-corporate loans and investments.
- Valuation of undertakings or assets of the Company, wherever it is necessary.
- Evaluation of internal financial controls and risk management systems.
- Review, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- 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.
- Discuss with internal auditors of any significant findings and follow up there on.
- 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 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.
- Look into reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- 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.
- Consider and comment on rationale, cost- benefits and impact of schemes involving merger, demerger, amalgamation etc., on the company and its shareholder.
- Review the management discussion and analysis of financial condition and results of operations.
- Review the management letters/letters of internal control weaknesses issued by the statutory auditors.
- Review the internal audit reports relating to internal control weaknesses.
- Review the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee.
- Review the statement of deviations:
 - (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of SEBI Listing Regulations.
 - (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of SEBI Listing Regulations.
- Review and monitor the auditor's independence and performance, and effectiveness of audit process.
- Examination of the financial statement and the auditors' report thereon;
- Such other matters as mentioned in the terms of reference or as may be required to be carried out by the Audit Committee pursuant to amendments under any law, from time to time.

3. COMPOSITION AND ELIGIBILITY:

- The Committee shall consist of a minimum of three Directors, with Independent Directors forming a majority.
- Two-thirds of the members of the Committee shall be Independent Directors. All members of the Committee shall be financially literate and at least one member shall have accounting or related financial management expertise, in each case as required under the SEBI Listing Regulations.
- The Chairperson of the Committee shall be an Independent Director and shall be present at the Annual General Meeting to answer shareholders' queries.
- The Company Secretary shall act as the secretary to the Committee.
- The members of the Committee shall be appointed and may be removed by the Board. Any vacancy in the Committee shall be filled by the Board within the time prescribed under applicable law.

4. MEETINGS, QUORUM AND PROCEDURE:

4.1 Frequency

The Committee shall meet at least four times in a financial year, and the gap between two consecutive meetings shall not exceed one hundred and twenty (120) days, or such other interval as may be prescribed under applicable law.

4.2 Quorum

The quorum for a meeting of the Committee shall be either two members or one-third of the members of the Committee, whichever is greater, with at least two Independent Directors present.

4.3 Notice and Agenda

Notice of meetings of the Committee, accompanied by the agenda and supporting papers, shall be circulated to all members of the Committee in advance, in the manner prescribed under the Companies Act, 2013 and the Secretarial Standards.

4.4 Invitees

The Committee may invite such of the executives of the Company, the statutory auditors, the internal auditors, the Chief Financial Officer and other persons as it considers appropriate to be present at the meetings of the Committee. The Committee may also meet the statutory auditors and internal auditors without the presence of management whenever it considers necessary.

5. VIGIL MECHANISM

The Company shall establish a vigil mechanism for directors and employees to report genuine concerns.

The Audit Committee shall:

- Oversee the functioning of the mechanism
- Ensure confidentiality and protection of whistleblowers

6. REPORTING TO THE BOARD:

The Chairperson of the Committee, or in his or her absence any other member of the Committee authorised in this behalf, shall report to the Board on the activities of the Committee at the next meeting of the Board, and the minutes of the Committee shall be placed before the Board for noting. The Committee shall, where required, make recommendations to the Board on any matter within its terms of reference.

7. DISCLOSURES:

The composition of the Committee, the brief description of its terms of reference, the meetings held and attendance thereat, and such other matters as are required to be disclosed under the Companies Act, 2013 and the SEBI Listing Regulations, shall be disclosed in the Annual Report and the Corporate Governance Report of the Company. This Charter shall be disclosed on the Company's website.

8. EVALUATION:

The performance of the Audit Committee shall be evaluated annually as part of the Board's annual evaluation process, in such manner as the Board may consider appropriate.

9. REVIEW AND AMENDMENT:

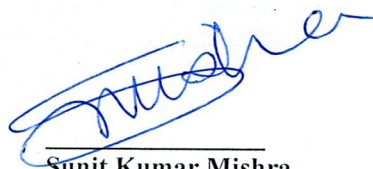
This policy shall be reviewed periodically and may be amended from time to time by the Board, on the recommendation of the Audit Committee, to align it with the requirements of applicable law and best corporate governance practices. In the event of any inconsistency between this, the provisions of such law shall prevail and this policy shall stand modified to that extent.

10. CONSTITUTION OF THE AUDIT COMMITTEE:

The composition of the Audit Committee, as on the date of adoption of this Charter, is as follows:

Name of the Director	Category	Designation
Mrs. Divya Nemichand Gupta	Independent Director	Chairperson
Mr. Nehil Gautamchand Dugar	Independent Director	Member
Mr. Sunit Kumar Mishra	Director	Member

**On and behalf of the Board of Directors
For Abacus Lifestyle Brands Limited
(Formerly known as Abacus Lifestyle Brands Private Limited)**



**Sunit Kumar Mishra
Managing Director
DIN: 05124540**