

<b>AAA TECHNOLOGIES LIMITED</b>
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**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 six Directors, comprising one Managing Director, one Whole Time Director, One Executive Director and Three 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
4. Corporate Social Responsibility Committee

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

The Audit Committee of our Board was constituted by our Directors by a board resolution dated 10<sup>th</sup> August, 2020 pursuant to section 177 of the Companies Act, 2013. The Audit Committee comprises of:

<b>Name of the Member</b>	<b>Nature of Directorship</b>	<b>Designation in Committee</b>
Mr. Rajesh Verma	Independent Director	Chairman
Mr. Naveen Srivastava	Independent Director	Member
Mr. Anjay Agarwal	Chairman & Managing Director	Member

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

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

- a) Oversight of the Issuer's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- b) Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- c) Approval of payment to statutory auditors for any other services rendered by the statutory auditors.

- d) Reviewing, with the management, the annual financial statements 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 clause (c) of sub-section 3 of Section 134 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
  - Qualifications in the draft audit report.
- e) Reviewing, with the management, the half yearly and annual financial statements before submission to the board for approval
- f) 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 utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- g) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- h) Formulating a policy on related party transactions, which shall include materiality of related party transactions
- i) Granting omnibus approval to related party transactions and laying down criteria for granting such approval in accordance with the SEBI LODR Regulations and reviewing, at least on a quarterly basis, the details of the related party transactions entered into by the Company pursuant to the omnibus approvals granted;
- j) Approval or any subsequent modification of transactions of the company with related parties;
- k) Scrutiny of inter-corporate loans and investments;
- l) Valuation of undertakings or assets of the company, wherever it is necessary;
- m) Evaluation of internal financial controls and risk management systems;
- n) Monitoring the end use of funds raised through public offers and related matters.
- o) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- p) 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.
- q) Discussion with internal auditors any significant findings and follow up there on.

- r) 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.
- s) 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.
- t) 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.
- u) To review the functioning of the Whistle Blower mechanism.
- v) Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
- w) Formulating, reviewing and making recommendations to the Board to amend the Audit Committee charter from time to time;
- x) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- y) Oversee the vigil mechanism established by the Company and the chairman of the Audit Committee shall directly hear grievances of victimization of employees and directors, who use vigil mechanism to report genuine concerns;

Explanation (i): The term "related party transactions" shall have the same meaning as contained in the Accounting Standard 18, Related Party Transactions, issued by The Institute of Chartered Accountants of India.

Explanation (ii): If the Issuer has set up an audit committee pursuant to provision of the Companies Act, the said audit committee shall have such additional functions / features as is contained in this clause.

*The Audit Committee enjoys following powers:*

- a) To investigate any activity within its terms of reference
- b) To seek information from any employee
- c) To obtain outside legal or other professional advice
- d) To secure attendance of outsiders with relevant expertise if it considers necessary
- e) The audit committee may invite such of the executives, as it considers appropriate (and particularly the head of the finance function) to be present at the meetings of the committee, but on occasions it may also meet without the presence of any executives of the Issuer. The finance director, head of internal audit and a representative of the statutory auditor may be present as invitees for the meetings of the audit committee.

*The Audit Committee shall mandatorily review the following information:*

- a) Management discussion and analysis of financial condition and results of operations;
- b) Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- c) Management letters / letters of internal control weaknesses issued by the statutory auditors;
- d) Internal audit reports relating to internal control weaknesses;
- e) The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee and
- f) Statement of deviations in terms of the SEBI LODR Regulations:
  - quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s); and
  - annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice.

The recommendations of the Audit Committee on any matter relating to financial management, including the audit report, are binding on the Board. If the Board is not in agreement with the recommendations of the Committee, reasons for disagreement shall have to be incorporated in the minutes of the Board Meeting and the same has to be communicated to the shareholders. The Chairman of the committee has to attend the Annual General Meetings of the Company to provide clarifications on matters relating to the audit.

#### *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 dated 10<sup>th</sup> August, 2020. The Shareholder and Investor Grievance Committee comprises of:

<b>Name of the Member</b>	<b>Nature of Directorship</b>	<b>Designation in Committee</b>
Mr. Rajesh Verma	Independent Director	Chairman
Mr. Naveen Srivastava	Independent Director	Member
Mr. Nabankur Sen	Independent Director	Member

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

- a) Allotment and listing of our shares in future
- b) Redressing of shareholders and investor complaints such as non-receipt of declared dividend, annual report, transfer of Equity Shares and issue of duplicate/split/consolidated share certificates;

- c) Monitoring transfers, transmissions, dematerialization, re-materialization, 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;
- d) Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;
- e) Giving effect to all transfer/transmission of shares and debentures, dematerialisation of shares and re-materialisation of shares, split and issue of duplicate/consolidated share certificates, compliance with all the requirements related to shares, debentures and other securities from time to time;
- f) Reviewing the adherence to the service standards by the Company with respect to various services rendered by the registrar and transfer agent of the Company; and
- g) Reviewing of measures taken for effective exercise of voting rights by shareholders;
- h) Reference to statutory and regulatory authorities regarding investor grievances;
- i) To otherwise ensure proper and timely attendance and redressal of investor queries and grievances;
- j) And to do all such acts, things or deeds as may be necessary or incidental to the exercise of the above powers.
- k) Carrying out such other functions as may be specified by the Board from time to time or specified/provided under the Companies Act, or the SEBI Listing Regulations, or any other regulatory authority.

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 our Board was constituted by our Directors pursuant to section 178 of the Companies Act, 2013 by a board resolution dated 10<sup>th</sup> August, 2020.

The Nomination and Remuneration Committee currently comprises of:

<b>Name of the Member</b>	<b>Nature of Directorship</b>	<b>Designation in Committee</b>
Mr. Naveen Srivastava	Independent Director	Chairman
Mr. Nabankur Sen	Independent Director	Member
Mr. Rajesh Verma	Independent Director	Member

The scope of Nomination and Remuneration Committee shall include but shall not be restricted to the following:

- a) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;

The Nomination and Remuneration Committee, while formulating the above policy, should ensure that —

- (i) the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run our Company successfully;
  - (ii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - (iii) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals;
- b) Formulation of criteria for evaluation of Independent Directors and the Board, and determining whether to extend or continue the term of appointment of independent directors, on the basis of the report of performance evaluation of independent directors;
- c) 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;
- d) Determining the Company's policy on specific remuneration packages for executive directors including pension rights and determination of remuneration packages of such directors;
- e) Determining compensation levels payable to the senior management personnel and other staff (as deemed necessary), which shall be market-related, usually consisting of a fixed and variable component and in accordance with the remuneration policy approved by the board of directors;
- f) Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
- g) Devising a policy on Board diversity
- h) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.
- i) Analysing, monitoring and reviewing various human resource and compensation matters
- j) Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:
  - (i) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (as amended); or
  - (ii) The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003;

- k) Performing such other activities as may be delegated by the Board and/or specified/provided under the Companies Act, the SEBI LODR Regulations, or by any other regulatory authority.

#### **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.

#### **4. Corporate Social Responsibility Committee**

The Corporate Social Responsibility Committee of our Board was constituted on 10<sup>th</sup> August, 2020. The Corporate Social Responsibility Committee comprises of the following:

<b>Name of the Member</b>	<b>Nature of Directorship</b>	<b>Designation in Committee</b>
Mr. Anjay Agarwal	Chairman and Managing Director	Chairman
Mr. Venugopal Dhoot	Whole Time Director, Director (Finance) & CFO	Member
Mr. Naveen Srivastava	Independent Director	Member

The Company Secretary shall act as the secretary of the Corporate Social Responsibility Committee.

The terms of reference, powers and scope of the Corporate Social Responsibility Committee of our Company is in accordance with Section 135 of the Companies Act, 2013. The terms of reference of the Corporate Social Responsibility Committee include the following:

1. To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII as amended from time to time;
2. To recommend the amount of expenditure to be incurred on the activities referred to in clause (a) subject to the limit provided under Section 135 of the Companies Act;
3. To monitor the corporate Social Responsibility Policy of our Company from time to time;
4. To institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company;

Any other matter as the Corporate Social Responsibility Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.