SHREE PRECOATED STEELS LTD.
CIN: L70109MH2007PLC174206
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# AUDIT COMMITTEE

**The terms of reference of the Committee, *inter alia*, include:**

- 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.
- Recommending to the Board, the appointment, reappointment and, if required, the replacement or removal of the Statutory Auditors and the fixation of audit fee and also approval for payment to Statutory Auditors for any other services rendered by the Statutory Auditors.
- Recommending to the Board, the appointment / reappointment of the Cost Auditors and Secretarial Auditor.
- Reviewing 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 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 judgement 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.
- 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, right 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 right issue, 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 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.
- Reviewing with the management, performance of the statutory and internal auditors' and adequacy of internal control systems.
- Reviewing the adequacy of internal audit function, 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 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 & background, etc. of the candidate.
- Review the utilization of loans and / or advances from / investment by the holding Company in the subsidiary exceeding Rs. 100 crore or 10 % of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date or such other limit as may be prescribed.
- Review the management discussion and analysis of financial condition and results of operations.
- Review the statement of significant related party transactions (as defined by the Audit Committee), submitted by the management.
- Review the management letters / letters of internal control weaknesses issued by the statutory auditors.
- Review the internal audit reports relating to the internal controls weaknesses.
- Review the statement of deviations:
    a. Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to the 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 documents/ prospectus/ notice in terms of Regulation 32(7) of SEBI Listing Regulations.
- Reviewing Financial Statements, in particular the investments made by the Company's unlisted subsidiaries.
- Review and monitor the auditor's independence and performance, and effectiveness of audit process.
- Examination of the financial statement and the auditor's report thereon.
- Review compliance with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015, as may be amended from time to time, at least once in a financial year and shall verify that the systems for internal control are adequate and are operating effectively;
- Noting the report of Compliance Officer as per the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
- Review the adequacy of the compliance monitoring system.
- Assists the Board in relation to the company's compliance and its value system.
- Reviewing show cause, demand, prosecution notices and penalty notices, which are materially important.
- To oversee the implementation and compliance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, including ensuring the constitution and functioning of the Internal Complaints Committee (ICC), reviewing periodic reports on complaints and redressal, monitoring training and awareness initiatives, and ensuring that adequate systems are in place to create a safe and inclusive workplace environment.
- Engage in the process evaluating, developing, recommending and implementing strategy, policy, procedures, processes, code of conduct, standards in respect of compliance and its value system.
- Any other activities as per the requirement of Regulation 18 of the Listing Regulations and applicable provisions of the Companies Act, 2013.
- 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 the amendments under any law, from time to time.