



SHRENIK LIMITED

CIN: L51396GJ2012PLC073061

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AUDIT COMMITTEE

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AUDIT COMMITTEE

INTRODUCTION

Our Company has constituted an audit committee ("Audit Committee"), as per section 177 of the Companies Act 2013. The constituted Audit Committee comprises of:

Name of the Director	Status	Designation
Mr. Devarsh Shah	Chairman	Independent Director
Mr. Kevin Shah	Member	Independent Director
Mr. Shalin Kusumgar	Member	Independent Director
Mr. Rishit Vimawala	Member	Whole-time Director

As tabulated above, the composition of Audit Committee was reframed by the Board of Directors in their Board Meeting held on 18th July, 2022.

Pursuant to the provisions of Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the following Policy was approved and adopted by the Board of Directors in their meeting held on 11th April, 2017.

OBJECTIVE

The objective of Audit Committee shall be to assist the Board in its responsibility for overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company and its compliance with the legal and regulatory requirements.

The Committee's purpose is to oversee the accounting and financial reporting process of the Company, the audits of the Company's financial statements, the appointment, independence, performance and remuneration of the statutory auditors, the performance of internal auditors and the Company's risk management policies.

TERMS OF REFERENCE

The terms of reference / powers of the Audit Committee are as under:

A. Powers of the Audit Committee

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

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B. The role of the Audit Committee includes

1. Recommendation for appointment, remuneration and terms of appointment of Auditors of the company.
2. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
3. To examine the financial statement and the auditors' report thereon;
4. 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;
5. Recommending the appointment, remuneration and terms of appointment of statutory auditors;
6. Approving payment to statutory auditors, for any other services rendered by them;
7. Reviewing 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 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 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 the management;
 - d. Significant adjustments made in 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. Qualifications in the draft audit report and;
 - h. Modified opinion(s) in the draft audit report.

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8. Reviewing with the management, the half yearly financial statements before submission to the board for approval;
9. Monitoring and 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;
10. Reviewing and monitoring the auditors' independence and performance, and effectiveness of audit process;
11. Approval or any subsequent modification of transactions of the Company with related parties;
12. Scrutiny of inter-corporate loans and investments;
13. Valuation of undertakings or assets of the Company, wherever it is necessary;
14. Evaluation of internal financial controls and risk management systems;
15. Monitoring the end use of funds raised through public offers and related matters;
16. Reviewing, with the management, the performance of statutory auditors and internal auditors, adequacy of internal control systems;
17. Formulating the scope, functioning, periodicity and methodology for conducting the internal audit;
18. 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;
19. Discussion with internal auditors of any significant findings and follow-up thereon;
20. Reviewing the findings of any internal investigations by the internal auditor 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;
21. Discussion with statutory auditor before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern;

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22. To look into the reasons for substantial defaults, if any, in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
23. To review the functioning of the Vigil Mechanism;
24. 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 qualifications, experience and background, etc. of the candidate;
25. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;
26. Reviewing the following information:
 - a. The 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. Reviewing the appointment, removal and terms of remuneration of the internal auditor (s);

Delegation of Authority

The Committee may delegate to one or more designated members of the committee the authority to pre approve audit and permissible non audit services, provided such pre approval decision is presented to the full audit committee at its scheduled meetings.

POLICY REVIEW

The Policy is subject to review by Audit Committee when deemed necessary and any amendment carried out to this policy shall be approved by the Board of the Directors of the Company. Further, all the provisions as mentioned under this policy are subject to any amendments or modification made in the applicable rules and regulations from time to time.
