AUDIT COMMITEE POLICY

CAPCHEM ELECTRICALS LIMITED

Date:30/08/2025

Constitution of Audit Committee

(As per Companies Act, 2013)

(Resolution dated 30th August,2025**)**

Sr. No.	Committee Members	Contact
1	**Mr. Jas Kirit Ganatra– Non-Executive Independent Director – Chairman of the Committee**	committee@cepl.net.in
2	**Ms. Sugandha Ramchandra Rane – Non-Executive Independent Director – Member**	
3	**Mr. Ankush Chavan-Executive Director- Member**	

1. INTRODUCTION:

This Audit Committee Policy ("Policy") is framed in accordance with the provisions of Section 177 of the Companies Act, 2013

The Audit Committee ("Committee") is constituted by the Board of Directors of Capchem Electricals Limited to assist the Board in fulfilling its oversight responsibilities with respect to financial reporting, internal controls, audit processes, and compliance.

The Board has adopted this Policy at its meeting held on 30th August,2025, and it shall come into effect from 30th August,2025

2. OBJECTIVE:

The primary objectives of the Audit Committee are to:

- Oversee the financial reporting process of the Company
- Ensure transparency, integrity, and accuracy of financial statements
- Monitor internal control systems and risk management processes
- Review the performance and independence of auditors
- Ensure compliance with statutory and regulatory requirements
- To establish a vigil mechanism for directors and employees

3. DEFINITIONS :

i. **Act" means** the Companies Act, 2013 and Rules framed thereunder, as amended from time to time;

ii. **Board" means** Board of Directors of the Company;

iii. **Related party" means** a related party as defined under sub-section (76) of section 2 of the Companies Act, 2013 or under the applicable accounting standards.

iv. **"Company" means** Capchem Electricals Limited.

v. **Director" means** directors of the company.

vi. **Audit Committee"** means a Committee constituted by the Board of Directors of the Company under Section 177 of Act, 2013.

4. MEETINGS & QUORUM OF COMMITTEE:

i. The Committee shall meet at least four times in a year and not more than one hundred and twenty days shall elapse between two Committee meetings .

ii. The quorum shall be either two members or one third of the members of the Committee, whichever is greater, with at least two independent directors

iii. The Committee shall meet periodically as and when the Chairperson of the Committee deems fit and proper in accordance with the provisions of the Act.

iv. When present, the Chairperson of the Committee shall preside over the Committee meetings. In his absence, Committee members present may appoint a chairperson from amongst themselves.

v. All matters will be determined by a majority vote of the members present.

vi. The Committee may adopt procedural rules for its meetings and the conduct of its business, not inconsistent with this charter, the Company's articles of association and other applicable laws

vii. The Chairperson of the Audit Committee shall, after Audit Committee meeting, brief the Board on discussions and decisions at such meeting in summary form.

5. POWERS OF AUDIT COMMITTEE:

The Committee shall have powers to investigate any activity within its terms of reference, seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.

6. ROLE OF THE COMMITTEE:

- Examination of the financial statement and the auditors' report thereon;
- Review, with the management, the quarterly financial statements before submission to the Board for approval.
- the recommendation for appointment, remuneration and terms of appointment of auditors of the company.
- evaluation of internal financial controls and risk management systems;.
- approval or any subsequent modification of transactions of the company with related parties ;
- review and monitor the auditor's independence and performance, and effectiveness of audit process ;
- scrutiny of inter-corporate loans and investments;
- valuation of undertakings or assets of the company, wherever it is necessary;
- monitoring the end use of funds raised through public offers and related matters.
- reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- Oversee the functioning of Vigil Mechanism/ Whistle Blower Policy and Ethics Framework/ ethical issues.
- Appointment of Registered Valuer and fixation of terms & conditions in relation thereto.
- Review the Company's financial and risk management policies, implementation of treasury policies, strategies and status of investor relation activities
- **Annual General Meeting**
- The Chairman of the Committee shall attend the Annual General Meeting prepared to respond to any shareholder questions on the Committee's activities.

7. REVIEW OF POLICY:

This Policy shall be reviewed periodically by the Board and amended as required to ensure compliance with applicable laws. In case of any inconsistency between this Policy and applicable laws, the provisions of the applicable laws shall prevail.

8. DELEGATION OF AUTHORITY:

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

9. DISSEMINATION:

This Policy shall be published on website of the Company

10. MEMBERSHIP

1. The members of the Committee shall be appointed by the Board on the recommendation of the Nomination Committee. The Audit committee shall comprise of atleast three Directors as members of the committee, majority of whom shall be independent directors.

2. Whilst the Committee itself will be made up entirely of independent directors, other individuals, e.g. internal auditors or external auditors may be invited to attend as and when appropriate but invitees will have no right of attendance.

3. Appointments to the Committee shall be for a period of up to five years, which may be extended for further five-year period, provided the director remains independent

4. The members of the Audit committee shall elect a Chairman from amongst themselves.

5. At least one member of the Committee shall have significant, recent and relevant financial experience

The Audit Committee shall comprise of the members as mentioned below:

Sr. No.	Committee Members	Contact
1	**Mr. Jas Kirit Ganatra– Non-Executive Independent Director – Chairman of the Committee**	committee@cepl.net.in
2	**Ms. Sugandha Ramchandra Rane – Non-Executive Independent Director – Member**	
3	**Mr. Ankush Chavan-Executive Director- Member**	

Secretary

The Company Secretary shall act as the Secretary of the Committee