

AUDIT COMMITTEE CHARTER**1. Primary Objectives**

The Audit Committee's role shall flow directly from Kineco's Board of Directors' (hereinafter referred as the "**Board**") overview function on corporate governance. Acting as a catalyst in helping the organization achieve its objectives, the primary role of the Audit Committee is that of assisting the Board in overseeing the:-

- Accuracy, Integrity and transparency of the Company's financial statements;
- Qualification and independence of the Statutory auditors;
- Performance of the Company's Statutory auditors and the Internal Audit function; and
- Adequacy and reliability of the internal control system.
- Approval of transactions with related parties.

The role, responsibilities and powers of the Committee shall include the matter set out in this Charter and such other items as may be prescribed by applicable laws or by Board as amended from time to time.

2. Composition

- 2.1 The Audit Committee shall comprise of at least three directors as members of the Committee with Independent Directors forming a majority. (Independence would be decided upon by the Board and in accordance with the Companies Act, 2013 (hereinafter referred as the "**Act**") and such other legal and regulatory environment that may be applicable to the Company.)
- 2.2 Majority of the members of the Audit Committee including its Chairperson shall be persons with ability to read and understand, the financial statement.
- 2.3 The Board shall designate one of the member of the Audit Committee as the Chairman of the Committee which shall be an Independent Director.

3. Secretary

The Company Secretary shall act as the Secretary to the Committee Meetings.

4. Quorum

The quorum necessary for transacting business at a meeting of the Committee shall be two members or one-third of the members of the Audit Committee; whichever is greater. A duly convened meeting of the Committee at which the requisite quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

5. Meetings

- 5.1 The Committee shall meet at least 4 times in a year and not more than 120 days shall elapse between two successive meetings.
- 5.2 The audit committee at its discretion shall invite the finance director or head of the finance function and a representative of the statutory auditor and Internal Auditor and any other such executives to be present at the meetings of the committee.

6. Annual General Meeting

The Chairman of the Committee shall attend the Annual General Meeting to answer shareholder queries and provide any clarifications on matters relating to audit.

7. Authority

The Committee shall act and have powers in accordance with the terms of reference specified in writing, by the Board, which shall include the following:

- 7.1 To investigate any activity within the scope of this Charter or referred to it by the Board and for this purpose, shall have full access to information contained in the books of accounts and the Company's facilities and personnel.
- 7.2 To seek information from and have direct access to any employee, key managerial personnel or director of the Company, to perform its duties effectively.
- 7.3 To secure assistance and attendance of outsiders with relevant knowledge/expertise in accounting, legal or other matters, if it considers necessary.
- 7.4 To engage independent counsel and other advisors as it deems appropriate to perform its duties and responsibilities.
- 7.5 To engage a registered valuer taking into consideration such qualification and experience as may be considered appropriate in case of valuations required in respect of any property, stocks, shares, debentures, securities, goodwill, assets, liabilities or net worth of a company.
- 7.6 To determine the provision of appropriate funding by the Company for compensation to the Statutory auditors, other advisors/experts that the Committee chooses to engage and other ordinary administrative expenses of the Committee.

8. Responsibilities:

The responsibilities of the Audit Committee shall include the following:

- 8.1 The recommendation for appointment, remuneration and terms of appointment of auditors and chief financial officer of the company;
- 8.2 Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- 8.3 Examination of the financial statement and the auditors' report thereon of the Company and its subsidiaries;
- 8.4 Prior approval or any subsequent modification of transactions of the company with related parties;
- 8.5 Scrutiny of inter-corporate loans and investments made;
- 8.6 Valuation of undertakings or assets of the company, wherever it is necessary;
- 8.7 Evaluation of internal financial controls and risk management systems;
- 8.8 Monitoring the end use of funds raised through public offers and related matters
- 8.9 Vigil mechanism: The Committee shall review the Company's arrangements for its directors and employees to raise concerns, in confidence, about possible wrongdoing in financial reporting, accounting, auditing or any other genuine concerns.

8.10 Review Related party transactions:

- Review and approve the statement of all related party transactions submitted by the management,
- The committee may grant omnibus approval for related party transactions proposed to be entered into by the Company subject to the following conditions, namely-
 - maximum value of the transactions, in aggregate, which can be allowed under the omnibus route in a year- Rs. 10 Crores (Rupees Ten Crores);
 - the maximum value per transaction which can be allowed- Rs. 1 Crore (Rupees One Crore)
 - extent and manner of disclosures as specified by the Committee from time to time;
 - review, at such intervals as the Committee may deem fit, related party transaction entered into by the company pursuant to each of the omnibus approval made;
- The Committee shall consider the following factors while specifying the criteria for making omnibus approval, namely: –
 - repetitiveness of the transactions (in past or in future);
 - justification for the need of omnibus approval.
- The omnibus approval may contain or indicate the following: –
 - name of the related parties;
 - nature and duration of the transaction;
 - maximum amount of transaction that can be entered into;
 - the indicative base price or current contracted price or the formula for variation in the price, if any; and
 - any other information relevant or important for the Audit Committee to take a decision on the proposed transaction.
- Where the need for related party transaction cannot be foreseen and aforesaid details are not available, the committee may make omnibus approval for such transactions subject to their value not exceeding rupees one crore per transaction.

9. Reporting

The Audit Committee will report and update the Board, periodically, on various matters that it has considered as well as on the independence of the Auditors.

10. Other Functions

Perform other activities as requested by the Board.

11. Review of Audit Committee Charter

The adequacy of this charter shall be reviewed and reassessed by the Audit Committee as may be deemed fit by the Committee and appropriate recommendations shall be made to the Board to update the same based on the changes that may be brought about to the regulatory framework, from time to time.