

PINCON SPIRIT LIMITED

AUDIT COMMITTEE POLICY

Pincon Spirit Limited has a separately designated standing Audit Committee established in accordance with Section 177 of the Companies Act 2013 & rules made there under and Listing Agreement of Stock Exchange as amended. The Audit Committee assists the Board in fulfilling its responsibilities for generally overseeing financial reporting processes and the audit of financial statements, including the integrity of financial statements, compliance with legal and regulatory requirements, the qualifications, the performance of internal audit function, and risk assessment and risk management.

Composition:

The Audit Committee will consist of at least three directors with independent directors forming majority whom the Board appoints.

Qualifications & Independence:

Each director on the Committee will have such qualifications as the Board determines. In addition, each director on the Committee will be independent within the meaning of applicable laws, and will meet applicable listing standard financial literacy requirements, each as the Board determines. Finally, at least one director on the Committee will be an “audit committee financial expert,” as determined by the Board in accordance with applicable laws.

Removal:

The entire Committee or any individual director on the Committee may be removed with or without cause by the affirmative vote of a majority of the Board.

Chairman:

The Board may designate a Chairman of the Committee (the “Chairman”).

In the absence of such designation, the Committee may designate the Chairman by majority vote of the Committee.

Number of Meetings:

The Committee will convene at least four times each year, with additional meetings as appropriate.

Executive and Private Sessions:

The Committee will meet regularly in separate executive sessions at which only Committee members are present and in private sessions with each of management, the internal auditors and the independent registered public accounting firm.

Policy Review:

The Committee will annually re-view and re-assess the adequacy of this charter and will submit any recommended changes to the Board for approval.

Performance Review:

The Committee will annually undertake an evaluation assessing its performance with respect to its purposes and its duties and tasks set forth in this charter, and will report the results of such evaluation to the Board.

RESPONSIBILITIES

It is the function of the Committee to enable the Board of Directors, with reliance on the Committee, to discharge their fiduciary responsibility to shareholders in respect to financial reporting and the safety and soundness of the company. For this purpose, the Committee shall have the following general duties and functions:

1. **Terms of Appointment of Auditors:** The Committee will recommend terms of appointment & remunerations and other conditions of Appointment of auditors of the company.
2. **Annual and Quarterly Audited/Unaudited Financial Statements; Other Matters:** The Committee will:
 - a. Meet to review and discuss with management and the auditor of the company, annual and quarterly audited/unaudited financial statements, including disclosures in “Management’s Discussion and Analysis of Financial Condition and Results of Operations;” and
 - b. Review with management and auditor of the company:
 - i. the results of the company’s audit and opinion of the company’s auditor on the annual financial statements;
 - ii. analyses prepared by management or auditor of the company setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements.
 - iii. Auditor’s judgments on the quality, not just the acceptability, and consistent application of accounting principles, the reasonableness of significant judgments, clarity of disclosures and underlying estimates in the financial statements;
 - iv. major issues regarding accounting principles and financial statement presentations, including changes in accounting principles or application thereof, significant judgment areas, and significant and complex transactions;
 - v. the effectiveness and adequacy of internal auditing;
 - vi. any disagreements between management and auditor of the company, about matters that individually or in the aggregate could be significant to Company’s financial statements or the auditor’s report, and any serious difficulties the auditor of the company in dealing with management related to the performance of the audit and management’s response.
3. **Report from Auditor of the Company:** At least annually, the Committee will obtain from and review a report by the auditor describing (a) internal quality control procedures, and (b) any material issues raised by the most recent internal quality-control review, or peer review, or by any governmental or professional inquiry or investigation within the preceding five years regarding any audit performed by the auditor, and any steps taken to deal with any such issues.

4. **Internal Controls:** The Committee will review the adequacy and effectiveness of Company's internal controls, including any significant deficiencies in such controls and significant changes or material weaknesses in such controls reported by the auditor or management and any special audit steps adopted in light of material control deficiencies, and any fraud, whether or not material, that involves management or other Company's employees who have a significant role in such controls.
5. **Information Security:** The Committee will review the adequacy and effectiveness of Company's information security policies and the internal controls regarding information security.
6. **Internal Audit:** The Committee will review the overall scope, qualifications, resources, activities, reports, organizational structure and effectiveness of the internal audit function.
7. **Compliance:** The Committee will oversee Company's compliance programs with respect to legal and regulatory requirements, and review with management and the Director of Internal Audit the results of their review of compliance with applicable laws, regulations and listing standards, and internal audit reports.
8. **Risks:** The Committee will review and assess risks facing by the company and management's approach to addressing these risks, including significant risks or exposures relating to litigation and other proceedings and regulatory matters that may have a significant impact on Company's financial statements.
9. **Related Party Transactions:** The Committee will review and approve all "related party transactions," as defined in applicable laws.
10. **Investigations:** The Committee will conduct or authorize investigations into any matters within the Committee's scope of responsibilities Disclosure Controls and Procedures. The Committee will review the adequacy and effectiveness of Company's disclosure controls and procedures.
11. **Investments:** The Committee will review the activities of the Investment Review Committee
12. **Loans and Obligations:** The Committee will oversee Company's loans, loan guarantees of third party debt and obligations and outsourcings.