

AUDIT COMMITTEE POLICY
OF APOLLO FASHION INTERNATIONAL LIMITED

1. Nature of the Audit Committee

The Audit Committee (“Committee”) of the Company is a Committee constituted by the Board of Directors of the Company (“Board”) out of its members in view of Section 177 of the Companies Act, 2013 (“Act”), as amended from time to time.

2. Purpose

The primary objective of the Audit Committee is to monitor and provide effective supervision of the management’s financial reporting process with a view to ensure accurate, timely and proper disclosures and transparency, integrity and quality of financial reporting.

3. Committee Membership and Qualification

The Audit Committee shall consist of a minimum of 3 directors, with independent directors forming a majority. The majority of members of Audit Committee including its Chairman shall be persons with the ability to read and understand the financial statement.

4. Meeting and Quorum

The audit committee should meet at least once a year. The quorum shall be either two members or one third of the members of the audit committee, whichever is greater, but there should be a minimum of two independent members present.

5. Role of the Committee

- i. Oversight of the Company’s financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient, and credible.
- ii. Recommendation for appointment, remuneration, and terms of appointment of auditors of the Company.
- iii. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- iv. Reviewing, with the management, the annual financial statements and the auditors’ report thereon before submission to the Board for approval, particularly with reference to:
 - a) Matters required to be included in the Director’s 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 management.
 - d) Significant adjustments made in the financial statements arising out of audit findings.
 - e) Disclosure of any Related Party Transactions.
 - f) Qualifications in the draft Audit Report.

- v. Reporting, with the management, the quarterly financial statements before submission to the Board for approval.
- vi. Report and monitor the auditor's independence and performance and effectiveness of the audit process.
- vii. Examination of Financial Statements and the Auditors' Report thereon.
- viii. Approving any subsequent modification of transactions of the Company with related parties.
- ix. Scrutiny of inter-corporate loans and investments.
- x. Valuation of undertakings or assets of the Company, wherever it is necessary.
- xi. Evaluation of internal financial controls and risk management systems.
- xii. Establishing a vigil mechanism for directors and employees to report genuine concerns in such manner as may be prescribed.
- xiii. Formulating the scope, functioning, periodicity, and methodology for conducting the internal audit.
- xiv. Discussion with internal auditors of any significant findings and follow-up thereon.
- xv. 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.
- xvi. Reporting the following information: Statement of significant Related Party Transactions (as defined by the Audit Committee), submitted by management.
- xvii. Internal Audit Reports relating to internal control weaknesses and
- xviii. Carrying out any other function as mentioned in the terms of reference of the Audit Committee.

6 General

In case of any inconsistency between this Policy and the requirements of the Act and rules made thereunder, the provisions of the Act and such rules shall prevail and this Policy shall stand amended to that extent, with effect from the date of such statutory change.

Approved By: Board of Directors
Approved on: December 02, 2024
Effective date: December 02, 2024