

AUDIT COMMITTEE CHARTER
OF APOLLO FASHION INTERNATIONAL LIMITED

1. Preamble

An “Audit Committee” is a key element in the Corporate Governance process of any organization and acts as a link among the Management, the Statutory Auditors, Internal Auditors and the Board of Directors to oversee the financial reporting process of the Company.

The Committee is constituted pursuant to Section 177 of the Companies Act, 2013 (“Act”) and the rules made thereunder, as amended from time to time.

2. Objective and Scope

The primary purpose of an Audit Committee is to provide oversight of the financial reporting process, the audit process, the system of internal controls and compliance with laws and regulations.

3. Meetings and Quorum

3.1 Frequency

The Committee shall meet at least once in a financial year, or more frequently as the Chairperson of the Committee may deem necessary for the effective discharge of its responsibilities.

3.2 Quorum

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.

3.3 Notice and Agenda

A notice of every meeting of the Committee, along with agenda and detailed notes, shall be circulated by the Company Secretary or such other authorized officer, to all members at least seven days in advance, unless a shorter notice is consented to by all members.

3.4 Minutes

The Company Secretary or any person authorized by the Chairperson shall act as the secretary to the Committee and shall record and maintain minutes of the meetings of the Committee.

Minutes of the Committee meetings shall be placed before the subsequent meeting of the Board for noting.

4. Role and Responsibilities

The Committee shall act in accordance with the terms of reference specified under Section 177(4) of the Act and such other functions as may be delegated by the Board. The Committee is vested with the following roles and responsibilities:

- 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.

5 Authority and Resources

- a. The Committee is authorized to seek any information it requires from any employee, department or function of the Company in order to perform its duties.
- b. The Committee may obtain professional advice from external consultants, experts, or other advisors, at the cost of the Company, as it deems necessary.

6 Evaluation

- a. The Committee shall, periodically, review its own performance and effectiveness, including the adequacy of this Charter, and recommend any proposed changes to the Board for approval.
- b. The Board may also evaluate the functioning and effectiveness of the Committee as part of its overall governance review.

7 Amendment and Review of the Charter

- a. The adequacy of this charter shall be reviewed and reassessed by the Audit Committee from time to time, 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.
- b. The Board reserves the right to amend, modify or rescind any provisions of this Charter in accordance with applicable law.

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