

Title: Audit Committee Charter		Doc No -2
Date of issue: 01/01/2026	Revision No. Ref:	Policy No-0

Sparkon Textiles Ventures Pvt. Ltd.

Audit Committee Charter

Revision History		
Sr. No	Revision No	Date
1	Revision No. Ref:	01/02/2026

Content

- **1. Purpose**

The purpose of the Audit Committee Charter is to define the role, authority, composition, and responsibilities of the Audit Committee of Sparkon Textiles Ventures Pvt. Ltd.

The Audit Committee assists the Board of Directors in:

- Ensuring the integrity of financial statements
- Overseeing internal financial controls
- Monitoring compliance with legal and regulatory requirements
- Overseeing internal and external audit functions

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- Strengthening corporate governance and risk management practices
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- **2. Scope**

This Charter applies to the Audit Committee constituted by the Board of Directors and governs its structure, authority, and operational framework.

- **3. Composition**

- The Audit Committee shall be appointed by the Board of Directors.
 - The Committee shall consist of a minimum of three members (as applicable under law).
 - Members shall possess financial literacy, and at least one member should have accounting or financial management expertise.
 - The Chairperson of the Committee shall be appointed by the Board.
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- **4. Authority**

The Audit Committee shall have the authority to:

- Access all records, documents, and information of the Company.
 - Seek information from any employee.
 - Obtain professional advice from external legal, accounting, or other advisors when necessary.
 - Call for meetings with internal auditors, statutory auditors, or management as required.
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- **5. Roles and Responsibilities**

5.1 Financial Reporting

- Review quarterly and annual financial statements before submission to the Board.
- Examine changes in accounting policies and practices.
- Review significant accounting judgments and estimates.

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- Ensure compliance with applicable accounting standards.

5.2 Internal Controls

- Evaluate adequacy and effectiveness of internal financial controls.
- Review internal audit reports and management responses.
- Monitor corrective actions taken by management.

5.3 Statutory Audit

- Recommend appointment, remuneration, and terms of appointment of statutory auditors.
- Review auditor independence and performance.
- Discuss audit observations and findings with auditors.

5.4 Internal Audit

- Approve internal audit plans.
- Review significant internal audit findings.
- Ensure implementation of audit recommendations.

5.5 Compliance & Risk Management

- Review compliance with statutory and regulatory requirements.
- Monitor fraud risk management and whistleblower mechanisms.
- Review related party transactions, if applicable.

• 6. Meetings

- The Committee shall meet at least as required by applicable law or as determined by the Board.
 - The quorum shall be as prescribed under applicable regulations or decided by the Board.
 - Minutes of meetings shall be recorded and placed before the Board.
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- **7. Reporting**

The Audit Committee shall report its activities, recommendations, and decisions to the Board of Directors on a periodic basis.

- **8. Review of Charter**

This Charter shall be reviewed annually or as required due to changes in law, regulation, or business requirements. Any amendments shall be approved by the Board of Directors.

EFFECTIVE

The policy shall come into force with effect from - 01/01/2026

