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Those Charged With Governance (TCWG) Communication Framework

TCWG Communication Framework:

To enable effective implementation of the Standards of Auditing, the Board in consultation with the Statutory Auditors prepared and documented this 'TCWG Communication Framework' for ensuring a effective two-way communication throughout the audit as explicitly mandated in the Companies Act, 2013 (CA 2013), the Standards on Auditing (SAs) prescribed under Companies Act 2013, National Financial Reporting Authority (NFRA) circular and other relevant Rules and Regulations.

This TCWG Communication Framework documents the form and process for an effective two-way communication between those in charge of governance and the Auditors.

Framework

This framework on Effective Communication Between Statutory Auditors and Those Charged with Governance ("TCWG") is formulated pursuant to the NFRA Circular No. NF-25013/3/2025-NFRA dated 07 January 2026 ("NFRA Circular").
This Framework is intended to lay down process to be followed for effective implementation of NFRA Circular.

Scope

The framework applies to the Board of Directors including Independent Directors, Audit Committee, Management and Statutory Auditors and covers communications relating to audit planning, strategy and execution, key risks, significant accounting judgments and estimates, findings in internal controls and other compliance matters.

Roles and Responsibilities:

Board of Directors: According to sub-section 5 of Section 134 of Companies Act, 2013, Board responsibility Statement shall disclose the Board's assertions regarding certain critical aspects, such as adherence to applicable accounting standards; selection and application of accounting policies and making of judgements/estimates on reasonable and prudent basis; maintenance of adequate records for safeguarding the assets of the company and preventing and detecting fraud and other irregularities; preparation of accounts on a going concern basis; implementation of adequate internal financial controls and ensuring their operating effectiveness; and implementation of proper systems to ensure compliance with all applicable laws.
Audit Committee: Committee of Directors within the Board of Directors lead by Independent Director (presently Mr. Prafulla Chhajed) are delegated with the responsibility and empowered by Board for detailed engagement with Statutory Auditors to review and monitor the Auditor's independence and performance, and the effectiveness of overall audit process, key areas of critical significance related to related party transactions, inter-corporate loans and investments, the valuation of assets of the Company, the evaluation of internal financial controls and risk management systems, the reviews of major accounting entries involving estimates based on exercise of judgement by management and discussion with auditors before the audit commences about the nature and scope of audit as well as review of audit plans, findings, and internal control deficiencies, and review management's responses to auditors and monitors the implementation of corrective actions.

Management: Providing complete, accurate, and timely information to the Board of Directors and Statutory Auditors to facilitate effective communication ensuring implementation of recommendations and correction actions as suggested.

Constitution of TCWG:

TCWG shall include Audit Committee and Managing Director (part of Board of Directors). Additionally, TCWG may invite Chief Financial Officer and Chief Executive Officer and / or Board members who are not part of Audit Committee.

Appointment of Nodal Persons and Responsibilities of Communication:

- The Managing Director, representing the Company and Audit Partner (representing Statutory Auditors) are designated as Nodal Persons as per provisions of the NFRA Circular.

TCWG shall communicate to the auditors:

- Relevant matters to audit such as strategic decisions that may significantly affect the nature, timing and extent of audit procedures, the suspicion or the detection of fraud;
- Concerns with integrity or competence of senior management;
- Provide significant communications with Regulators, if any;
- Share their views, awareness and actions regarding Internal Controls including Internal Audit Function;
- TCWG's awareness and action in relation to developments in the financial reporting framework, corporate governance practices and other regulatory matters;
- Any other matter considered relevant for audit planning, execution and conclusion.

Statutory Auditors shall communicate following matters:

- Audit Scope, Strategy and overview of planned audit approach including quantification of Materiality and its effect on nature and extent of audit work;
- Auditors' assessment of risk of material misstatement (ROMM), Internal Control Environment in particular to prevent frauds and non-compliance with critical laws and regulations;
- Areas of significant accounting policy judgment and management estimations; areas requiring involvement of experts, either by the Management or the Auditors; accounting or other areas of concerns requiring special attention by the Auditors,
- Auditors should obtain views of TCWG on entity's objectives, strategies and related business risks that may result in material misstatement.
- Auditors compliance with Independence and Code of Ethics regarding all the relationships and other matters such as business relationships, non-audit services, if any, between the Firm, Network Firms and the Auditee Company and other specified entities3 that may have an impact on Independence; and safeguards applied to eliminate or reduce threats to independence.
- Provide timely status of audit work and significant findings during the audit period;
- Significant difficulties faced during the audit, unavailability of expected information, delay by management in providing information, imposed limitation on the audit, etc.
- Significant transactions or events where the Management encountered difficulties in identifying the appropriate accounting policies or standards, and the Auditor's view on the appropriateness of the policies applied by the Management.
- Discussions with the Management on accounting estimates that involves significant management judgements or use of significant assumptions and forecasts such as valuation and impairment testing of unlisted shares / properties, going concern assessments, expected credit loss allowance estimates, etc.
- Significant matters discussed or subject to correspondence with management;
- Significant and material weaknesses in internal financial controls and non-qualification of the Auditor's specific report on adequacy and operating effectiveness of internal financial controls;
- Significant audit adjustments (corrected and uncorrected misstatements) and uncorrected misstatements above threshold, including auditor's view on why they were or were not corrected;
- Any significant disagreements with management about accounting policies, financial reporting, or audit procedures, and how they were resolved;
- Circumstances that affect the form and content of the Auditor's Report.

Objectives and Purpose of two-way communication

- The objective is to strengthen governance, enhance audit quality, ensure transparency, provide timely oversight of financial reporting and enable effective discharge of responsibilities by TCWG and auditors.

Updating Board and escalation mechanism

- TCWG shall update Board of Directors for significant auditing and accounting matters discussed between TCWG and auditors, results of audits, any non compliance with laws or governance issues highlighted by auditors through their findings and significant audit reporting matters on regular basis.

- Any significant matters having impact on reporting, fraud, serious control failures, regulatory breaches, audit delays and any difficulties in getting information for audit shall be immediately escalated to the Audit Committee and Board by Nodal Persons from Board and Audit Engagement Team as applicable.

- Auditor may escalate / communicate to the full Board of Directors for specific matters as mentioned in NFRA Circular. The Auditor shall keep Audit Committee in loop while communicating matters to full Board of Directors.

Frequency and timing of meeting and quorum

Auditors and TCWG should meet on a periodic basis the requirements, either in-person or virtually, however, there should be at least two meetings shall be held annually:

- Planning stage meeting before commencement of audit
- Year-end meeting at least 7 days prior to approval of financial statements
- Additional meetings shall be convened where significant audit difficulties, fraud suspicions, material weaknesses or regulatory non-compliances arise or required otherwise, from time to time.

Majority of members of TCWG shall constitute the quorum for such meeting.

Documentation and Record keeping

Ensure agenda items for TCWG meetings are clearly defined and contextualized to facilitate focused and meaningful discussions.
All communication must be documented in writing, including the date, time, and names of involved individuals. The communication should be clear and specific regarding the issues being addressed. Oral communication shall be documented with date, participants, issues discussed and conclusions.

Communications shall be clear, specific and form part of Board/Audit Committee records along with acknowledgement from auditors. Further, all discussions shall be documented in detail including view/ suggestions on any matter from both TCWG and Auditors.

Minutes of Committee meetings will be prepared and maintained by Company Secretary of the Company. The Company Secretary shall ensure inclusion of communications in agendas and minutes along with documentation for detailed discussion and also shall obtain acknowledgement from TCWG and auditors. Meeting minutes must reflect a clear record of two-way communication.

Minutes of TCWG meeting should be shared with auditors and they shall retain communications as part of audit documentation.

All significant written communications related to the audit, including key reports, emails, and decisions would be included in the minutes of the Audit Committee or Board meetings to ensure transparency and accountability.

Governance and Review

The Board of Directors shall review framework periodically and make necessary changes to reflect amendment in law, Standards or regulatory directives and expectations.

In the event of any inconsistency between this Framework and the applicable laws or regulations, the provisions of the law shall prevail. Further, in case of any point(s)/ matter(s) not specifically covered/provided to under this Framework, the same shall be adhered to/complied with in line with the requirement of applicable laws.

Version	Effective Date	Description of changes
Version 1.0	May 21, 2026	Adoption of Framework at the Board Meeting held on May 21, 2026