

BIJOY HANS LIMITED

CIN: L86100AS1985PLC002323

STATUTORY AUDITOR-TCWG TWO-WAY COMMUNICATION FRAMEWORK

1. Objective and Scope

The objective of this policy is to institutionalise a robust, continuous, and documented two-way communication channel between the Statutory Auditors and the Audit Committee (AC) in compliance with **NFRA** mandates and **Standards on Auditing (SA) 260 and 265**. This policy applies to all audit cycles of Bijoy Hans Limited.

This Framework is intended to implement the governance expectations reiterated by the National Financial Reporting Authority (NFRA) vide its Circular dated 07.01.2026 on strengthening effective communication between statutory auditors and TCWG, including audit committee.

This Framework further aims to ensure that Statutory Auditors -TCWG interactions are two-way, duly documented, and recorded in a manner that supports governance oversight, audit quality, and regulatory expectations.

2. Applicability

2.1 This Framework applies to:

- a) The Company's Statutory Auditors, including engagement partner and audit engagement team (AET);
- b) The Audit Committee;
- c) The Board of Directors;
- d) Relevant key managerial personnel and the Chief Corporate Finance, to the extent they provide inputs or implement action points.

2.2 This Framework shall apply for the audit of financial statements for the financial year 2025-26 and onwards, unless modified or superseded.

3. Definition and Determination of TCWG

3.1 TCWG for the Company shall ordinarily mean the Audit Committee and Nodal Officer (as decided by the Board), being responsible for oversight of the financial reporting process, governance, and audit quality.

3.2 Where permitted and practicable, the TCWG may act as a sub-group of the Board for specific audit-related communications, subject to an assessment at the commencement of audit and thereafter whether communication with the full Board is required on any matter.

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4. Those Charged with Governance (TCWG)

The **Audit Committee** is designated as the primary body representing TCWG for all audit-related communications.

- **Committee Composition:** As per the Companies Act, 2013, the committee consists of a minimum of three directors, with independent directors forming the majority.
- **Members:**
 - a. Mr. Rahul Ravindra Mayur – Chairperson
 - b. Mr. Brijesh Jugalkishor Biyani - Member
 - c. Mr. Kaushal Uttam Shah - Member

5. Designation of Nodal Officers

To ensure seamless coordination and continuous dialogue throughout the year, the following Nodal Officer are designated:

- **Primary Nodal Officer (TCWG):** Chief Financial Officer of the Company.

6. Mandatory Meeting Cadence

The Auditor and the Audit Committee shall meet at least **twice annually**:

1. **Planning Stage (Pre-Audit):** To discuss audit strategy, scope, materiality, and identification of significant risks (e.g., fraud, related party transactions).
 2. **Completion Stage (Post-Audit):** Held before the approval of financial statements to discuss significant findings, internal control deficiencies, and accounting judgments.
- *Note:* Ad-hoc meetings may be formally requested by auditors for urgent matters like suspected fraud or material control weaknesses.

7. Communication Protocols & Documentation

- **Form of Communication:** All significant communications must be **in writing**.
- **Oral Discussions:** If matters are discussed orally, they must be contemporaneously documented with the date, time, and list of participants, and subsequently recorded in the **official minutes**.
- **Forbidden Practices:** Generic bullet-point presentations and "silent acceptance" emails (e.g., "no comments from you will be construed as acceptance") are strictly prohibited.
- **Audit Workpapers:** All written interactions shall form a mandatory part of the Auditor's workpapers and the company's governance records.

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8. Key Agenda Matters

The following matters shall ordinarily be included in the structured communications or meetings:

8.1 Audit Planning / Pre-audit matters

- a) Audit strategy and scope;
- b) Materiality;
- c) Risks of material misstatement (fraud or error);
- d) Internal control environment and approach;
- e) Significant judgments and estimates expected;
- f) Use of experts or specialists;
- g) Focus areas or significant balances or disclosures.

8.2 Audit Progress/ Findings

- a) Significant difficulties encountered in audit;
- b) Significant transactions and policies;
- c) Internal control deficiencies or weaknesses;
- d) Key estimates (valuations, ECL, going concern) and disagreements, if any;
- e) Unusual RPTs or significant compliance concerns.

8.3 Ethics and Independence

- a) Auditor independence confirmation;
- b) Relationships, if any;
- c) Non-audit services and safeguards.

9. Trigger Situations: Mandatory Written Meeting Request and Response Protocol

9.1 Where Auditors identify any of the following:

- a) Potential fraud risk;
- b) Significant difficulty in obtaining audit evidence;
- c) Significant weakness(es) in internal controls; or
- d) Material differences with management on key estimates,

Auditors shall request a meeting in writing with TCWG, describing the issue, its severity, and the desired timeline.

9.2 TCWG shall respond in writing through the nodal officer:

- a) Accepting the meeting request and scheduling it, or
- b) Declining the meeting request, with reasons recorded in writing.

9.3 All trigger-based communications shall be presented before the Audit Committee and, where necessary, escalated to the Board.

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10. Responsibilities and Accountability

10.1 Board of Directors

a) Review compliance with this Framework based on recommendations by the TCWG;

10.2 TCWG

- a) Oversight of implementation of this Framework;
- b) Ensuring minimum meeting structure and agenda matters;
- c) Review of trigger-based communications and ensuring appropriate escalation to Board.

10.3 Statutory Auditors

- a) Compliance with communication expectations under SA 260 (Revised) and SA 265 (as in force and as may be amended from time to time);
- b) Ensuring documentation, supervision and quality of communications;
- c) Raising trigger meeting requests in writing and ensuring audit papers reflect appropriate communication evidence.

11. Review, Monitoring, and Reporting

11.1 The Audit Committee shall review compliance with this Framework at least once every financial year and report key observations or recommendations to the Board.

11.2 Any non-compliance or deviation shall be reported, along with corrective actions.