

POLICY ON COMMUNICATION BETWEEN STATUTORY AUDITORS AND THOSE CHARGED WITH GOVERNANCE (TCWG)

[Framework laid down by Clean Max Enviro Energy Solutions Limited (“the Company”)]

1. Purpose and Objective

This Policy establishes a structured, robust and enforceable framework for effective, timely and documented two-way communication between the Statutory Auditors of the Company and Those Charged With Governance (TCWG).

The Policy is framed in accordance with the Companies Act, 2013, the Standards on Auditing (in particular SA 260 (Revised) and SA 265) issued by the Institute of Chartered Accountants of India, and in line with the expectations set out in NFRA Circular NF-25013/3/2025-NFRA dated 7 January 2026 issued by the National Financial Reporting Authority (NFRA) on effective communication between Statutory Auditors and TCWG.

The objectives of this Policy are to:

- Enable meaningful, structured and continuous dialogue between TCWG and the Statutory Auditors;
- Ensure early identification, discussion and resolution of significant audit matters
- Ensure TCWG are informed of key audit matters, risks, judgements and observations of the Auditor in a timely manner;
- Prevent last-minute or perfunctory communications to ensure the Auditors receive, on a timely basis, all information from TCWG and management that may materially affect audit procedures or conclusions;
- Strengthen governance oversight over financial reporting, internal financial controls and compliance; and
- Establish clear accountability, documentation and escalation mechanisms for significant audit matters.

2. Scope

This Policy applies to all communications between:

- The Statutory Auditors of the Company;
- The Board of Directors of the Company; and
- Management and designated Nodal Officers, to the extent required to facilitate such communication.

3. Identification of Those Charged With Governance

The determination of who constitutes TCWG shall depend on the specific facts and circumstances applicable to the period under consideration. At the commencement of each audit, the Board of Directors, in consultation with the Statutory Auditors, shall formally identify and document the body designated as TCWG, and such identification shall be undertaken on an annual basis.

For the purposes of this Policy:

- The Board of Directors shall constitute TCWG for audit-related matters.
- The Board shall be the principal forum for communication with the Statutory Auditors. The Chief Financial Officer (or Chief Finance Controller) and the Company Secretary shall be permanent invitees to such meetings.

Note: *Communication with management or executive directors alone shall not be treated as communication with TCWG.*

4. Nodal Officers

To facilitate coordination and timely flow of information — without substituting direct interaction between the Auditors and the Board of the Directors — the following Nodal Officers are designated:

4.1 On behalf of TCWG

- Chairperson of the Board (Primary Nodal Officer)
- Chief Financial Officer/ Chief Finance Controller (At the discretion of the Board)
- Company Secretary / Compliance Officer

4.2 On behalf of the Statutory Auditors

- Mr. Aniruddha Godbole, Engagement Partner (Primary Nodal Officer)
- Mr. Suhas Pai, Other Audit Engagement Partner / designated team member nominated by the Engagement Partner for routine coordination

Nodal Officers shall be the primary point of contact for routine and interim communications. Contact details shall be formally exchanged at the commencement of each audit.

5. Guiding Principles

- Communication shall be two-way, meaningful and timely, and not merely procedural.
- Engagement with TCWG shall not be limited to last-minute or approval-stage interactions.
- All significant communications shall be in writing; oral communications shall be documented in writing with date, participants and outcomes.
- Communications shall be clear, specific and unambiguous.
- Presentations or emails without recorded deliberation or response shall not be treated as adequate compliance.
- The professional scepticism and independence of the Auditors shall not be diluted by this Policy.

6. Matters to be Communicated by TCWG to the Auditors

TCWG shall proactively communicate to the Statutory Auditors all matters relevant to the audit, including:

- Strategic decisions, major transactions or changes in business model that may affect the nature, timing and extent of audit procedures;
- All related party transactions (whether material or otherwise), and any unusual or non-routine transactions, including those outside the ordinary course of business or not at arm's length, together with the rationale and approvals obtained therefor;
- Any suspicion or detection of fraud, whether internal or external;
- Concerns regarding the integrity or competence of senior management;
- Significant communications with regulators which may have material impact on financial reporting.
- Critical views, awareness and significant actions in relation to internal financial controls and the Internal Audit function;
- Developments in the financial reporting framework, corporate governance practices and other regulatory matters; and
- Any other matter which TCWG considers necessary for discussion with the Statutory Auditors.

7. Matters to be Communicated by the Auditors to TCWG

The Statutory Auditors shall communicate to TCWG all matters required under the applicable Standards on Auditing, including:

- Audit plan, scope, timelines, materiality and significant risks, including fraud risk;
- Material accounting policies; management judgements, estimates and assumptions; and areas involving use of experts;
- Significant deficiencies in internal financial controls and recommended remediation;
- Identified or suspected fraud and non-compliance with laws and regulations;
- Unusual or non-routine related-party transactions;
- Going concern matters and significant subsequent events;
- Uncorrected misstatements and their effect on the financial statements;
- Key Audit Matters proposed to be included in the audit report and any proposed modifications to the audit opinion;
- Difficulties encountered during the audit (including unavailability of information); and
- Auditor independence and compliance with the Code of Ethics, including disclosure of relationships, non-audit services and safeguards applied.

A detailed Standard-wise list of matters to be communicated is set out in the Annexure to this Policy.

8. Frequency and Structure of Meetings

8.1 Minimum Meetings — Statutory Audit

Auditors and TCWG should meet (in person or virtually) at least twice a year, preferably:

1. A pre-audit meeting, before commencement of the audit, covering audit strategy, scope, materiality, key risks (including fraud risk), approach to internal financial controls and areas involving significant judgement; and
2. A pre-approval meeting, well before approval of the annual financial statements, covering significant findings, uncorrected misstatements, internal control deficiencies, related-party transactions, going concern, Key Audit Matters and auditor independence.

8.2 Additional Meetings

Additional meetings will be held as needed when major issues occur, such as suspected or confirmed fraud, significant internal control deficiencies, material disputes with management, or concerns about the entity’s ability to continue as a going concern.

8.3 Executive Session

The Board shall, at least once a year, hold an exclusive session with the Statutory Auditors without the presence of management.

9. Communication Framework Matrix

The required communications, responsible parties, timing and documentation shall be as set out below:

Area	What is Communicated	Communicated By	Timing / Frequency	Mode	Record
Audit Planning	Audit scope, strategy, timelines, materiality and key risks (including fraud risk)	Statutory Auditor	Before audit commencement	Board Meeting	Minutes
Strategic / Business Matters	Major transactions, changes in business model, strategic decisions affecting audit	Management / TCWG	As and when events occur	Written Meeting /	Minutes / Emails
Significant Judgements	Key estimates, assumptions, valuations, going concern assessment	Statutory Auditor	At pre-audit and pre-approval stages; any change in significant judgements, estimates or assumptions arising in the interim shall be communicated to TCWG promptly	Board Meeting	Minutes
Internal Financial Controls (SA 265)	Significant deficiencies, root cause, impact and remediation	Statutory Auditor	Timely, during audit	Written Meeting /	Written record

Area	What is Communicated	Communicated By	Timing / Frequency	Mode	Record
Related Party Transactions	Non-routine / unusual RPTs, arm's length concerns	Auditor / Management	Ongoing	Board	Minutes
Fraud (SA 240)	Suspected or identified fraud; regulatory notices, inspections	Auditor / Management	Immediately on identification	Special meeting / Written	Minutes / Written record
Non-compliance with Laws (SA 250)	Material non-compliance with applicable laws and regulations	Statutory Auditor	As identified	Board	Minutes
Disagreements with Management	Material differences of opinion on accounting / disclosures	Statutory Auditor	As and when identified	Board	Minutes
Auditor Independence	Independence confirmation, non-audit services, ethical safeguards	Statutory Auditor	At least annually	Board Meeting	Declaration / Minutes
Key Audit Matters (SA 701)	Matters likely to be reported as KAMs and how addressed	Statutory Auditor	Before financial statement approval	Board Meeting	Minutes
Escalation	Unresolved or governance-sensitive matters	Audit Committee	As required	Board Meeting	Board Minutes

10. Mode of Communication

- All significant communications shall be in writing or through emails or oral communication with proper documentation.
- Acceptable modes include minutes of meetings, circular resolutions, formal letters, written communications and emails; and any other documented and traceable mode approved by the Board.
- Meetings may be held physically or virtually, provided they are structured, documented and timely.

11. Documentation and Record-Keeping

- All significant communications (including oral communications) shall be documented with date, time, participants and key points discussed.
- Minutes of meetings shall be circulated for approval within 10 working days of the meeting.
- Responsibility for documentation lies with the Company Secretary (on the Company's side) and the Engagement Partner (on the Auditor's side).
- Documentation shall form part of the Board minutes and the audit working papers, and shall be preserved for the statutory retention period.
- Action items arising from audit discussions shall be tracked and periodically reviewed by the Board.

12. Escalation Framework

Matters shall be escalated to the Chairperson of the Board / full Board in the following circumstances:

- Identified or suspected fraud (SA 240);
- Material non-compliance with laws and regulations (SA 250);
- Material going concern uncertainties (SA 570);
- Material disagreement between the Auditors and Management (SA 260 / SA 450 (as applicable) / SA 705);
- Threats to auditor independence that cannot be adequately safeguarded (SA 260 read with the Code of Ethics);
- Significant deficiencies in internal financial controls that, in the opinion of the Statutory Auditors or the Audit Committee, warrant Board attention (SA 265); and
- Any other matter which, in the opinion of the Board or the Auditors, warrants escalation.

All escalations and related deliberations shall be formally documented.

13. Review and Amendment

- This Policy shall be reviewed annually and placed before the Board of Directors for consideration and approval, with the Board retaining ultimate authority over the framework.
- Amendments arising out of changes in law, Standards on Auditing or regulatory directions (including supplementary guidance issued by NFRA) shall be placed before the Board of Directors for approval.

14. Effective Date

This Policy shall come into effect from the date of approval by the Board of Directors of the Company.

Approved by the Board of Directors on 29 June 2026

ANNEXURE

Illustrative Matters to be Communicated to TCWG under the Standards on Auditing

The following is an illustrative (not exhaustive) list of matters that the Statutory Auditors are required to communicate to TCWG under the Standards on Auditing issued by the Institute of Chartered Accountants of India.

Standard	Subject	Matters to be Communicated to TCWG
SA 260	Communication with TCWG	Auditor's responsibilities; planned scope, timing and significant risks; significant findings including qualitative aspects of accounting, audit difficulties and written representations requested; uncorrected misstatements; auditor independence and threats thereto.
SA 265	Deficiencies in Internal Control	Significant deficiencies in internal control; potential effects; management's response (where obtained); recommended remediation.
SA 240	Fraud	Identified or suspected fraud involving management, employees or others; significant fraud risk factors; control deficiencies relating to fraud; evaluation of management's fraud risk assessment and response.
SA 250	Laws and Regulations	Non-compliance or suspected non-compliance material to the financial statements; matters requiring legal or regulatory reporting.
SA 450	Evaluation of Misstatements	Uncorrected misstatements and their implications; effect on the auditor's opinion; materiality considerations.
SA 550	Related Parties	Related-party relationships not identified by management; significant related-party transactions outside the normal course of business; concerns regarding management override related to such transactions.
SA 560	Subsequent Events	Events identified between the date of the financial statements and the date of the auditor's report, and facts becoming known to the auditor after the date of the auditor's report; adequacy of disclosures and adjustments; implications for the auditor's report.
SA 570	Going Concern	Events or conditions casting doubt on going concern; management's assessment; adequacy of disclosures; existence of material uncertainty.
SA 580	Written Representations	Representations requested; implications where management refuses to provide representations.
SA 600	Using the Work of Another Auditor / Group Audits	Reliance on the work of component auditors / branch auditors; scope, materiality and significant findings communicated by such other auditors; matters affecting the audit of the consolidated / group financial statements; coordination and review procedures applied by the principal auditor.
SA 700/701	Audit Opinion and Key Audit Matters	Draft audit report including proposed opinion and modifications (if any); Key Audit Matters, why identified as KAMs and how addressed in the audit.

Standard	Subject	Matters to be Communicated to TCWG
SA 705/706	Modifications and Emphasis of Matter	Basis for any qualified, adverse or disclaimer opinion; Emphasis of Matter / Other Matter paragraphs and their justification.
SA 720	Other Information	Material inconsistencies between the audited financial statements and other information accompanying them (such as the Board’s Report, Management Discussion and Analysis and other annual report content); material misstatements of fact in such other information; implications for the auditor’s report.

Note: This Annexure is indicative. The Statutory Auditors shall comply with all applicable Standards on Auditing, whether or not specifically listed above.