Dar Credit & Capital Ltd.

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THOSE CHARGED WITH GOVERNANCE (TCWG) POLICY

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1. Preamble:

The National Financial Reporting Authority has issued a circular dated January 07, 2026 emphasizing the need for effective, structured, robust documented two-way communication between Statutory Auditors (Auditor and Those Charged with Governance ("TCWG").

The Circular recommends the Board to prepare and document overall communication framework for ensuring effective two-way communication between Auditors and TCWG. Accordingly, The Board of Directors (the "Board") of **Dar Credit & Capital Limited** (the "Company"), has adopted the following framework with regard to effective two- way communication in an audit of financial statements between Auditors and TCWG based on the requirements of the Companies Act, 2013 ("Act"), the Standards on Auditing (SA), particularly SA 260 (Revised) and SA 265 and other relevant Rules and Regulations, applicable.

2. Purpose:

This framework is prepared to operationalize the requirements of the Act, SA and other relevant Rules and Regulations and is intended to improve audit quality and foster transparency by establishing a robust, effective two-way communication between the Statutory Auditors and TCWG throughout the audit lifecycle, not merely at the stage of approval of financial statements.

3. Objective:

This document establishes a formal governance framework for communication between the Statutory Auditors and TCWG to enable effective oversight of the financial reporting process, audit planning, execution and reporting.

It is designed to ensure that TCWG receives timely and complete information on significant audit matters, exercises informed decision making, discharges its statutory responsibilities strengthening of corporate governance and prevention of any financial misstatements.

4. Identification of Those Charged with Governance (TCWG):

As per paragraph 10 (a) of SA 260 (Revised) defines TCWG as those with responsibility for overseeing the strategic direction of the company and obligations relating to the accountability of the company. Paragraph 11 lays down a mandatory requirement for an Auditor to determine appropriate persons as TCWG within the governance structure.

As per the Companies Act, 2013, since the Board of Directors is overall responsible for the governance of the company, it will qualify for being considered as TCWG.

The TCWG could also be a sub-group of the Board, which could be the Audit Committee plus some of the Board members.

Accordingly, for **Dar Credit & Capital Limited**, the following composition constitutes **Those Charged with Governance (TCWG)**:

Sl. No.	Name of the Member of TCWG	Role in the Company	Designation in TCWG
1	Neha Baid	Independent Director	Chairperson
2	Umesh Khemka	Non-Executive Director	Member

The above members shall function as the designated subgroup of the Board for facilitating communication with the Statutory Auditors. Such designation shall not substitute or dilute the statutory responsibilities of the Audit Committee and the Board of Directors under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Statutory Auditors shall determine whether any matters require communication with the Audit Committee or the full Board of Directors in accordance with SA 260 (Revised).

Mr. Jayanta Banik, CEO and **Mr. Saket Saraf, CFO** of the Company, shall serve as permanent special invitees to the meetings of TCWG, except during the private (in-camera) sessions held between the Statutory Auditors and TCWG. Other senior management personnel may be invited to participate in the meetings as and when required by the nature of the matters under discussion, subject to the same exclusion during private sessions.

5. Identification of Nodal Person:

Mr. Umesh Khemka, Non-Executive Director of the Company representing the Board and **any Partner of VMSM & Co. or any other duly designated representative** of the Statutory Auditors shall act as **Nodal Persons** for ensuring effective two-way communication throughout the audit.

Further, **Ms. Priya Kumari, CS** or **Mr. Saket Saraf, CFO** of the Company, shall act as the Management Coordinator(s) as and when required.

6. Governance Structure and Roles:

The Chairperson of the Audit Committee shall preside over all meetings between the Statutory Auditors and TCWG. The Company Secretary shall act as Secretary to these meetings and shall be responsible for convening meetings, documentation of discussions, and maintenance of minutes or letters.

The Statutory Auditors shall ensure that communication is substantive, unbiased and complete, and not reduced to compliance-driven presentations. TCWG shall ensure that discussions reflect oversight and challenge rather than mere acknowledgment.

7. Standards on Auditing ("SAs"):

The summary of the prescription of key SAs that require communication of specific matters with TCWG by the Auditors is enumerated below:

i. SA 240- The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements

- Discussion of fraud risk factors and risk assessment.
- Identified or suspected fraud involving management or employees with significant roles in internal control.
- Matters relating to management override of controls.

ii. SA 250-Consideration of Laws and Regulations in an Audit of Financial Statements

- Non-compliance or suspected non-compliance with laws and regulations that come to the auditor's attention.

iii. SA 265-Communicating Deficiencies in Internal Control to Those Charged with Governance and Management

- Significant deficiencies in internal control identified during the audit shall be communicated in writing.
- Recommendations for remediation shall be discussed with TCWG.

iv. SA 570 (Revised)-Going Concern

- Events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.
- Adequacy of related disclosures in the financial statements.

v. SA 701-Communicating Key Audit Matters in the Independent Auditor's Report

- Determination and discussion of Key Audit Matters prior to inclusion in the Auditor's Report.

vi. SA 705 (revised) & SA 706 (revised)-Modifications to the Opinion and Emphasis of Matter Paragraphs and Other Matter Paragraphs in the Independent Auditor's Report

- Circumstances leading to modified opinion.
- Proposed Emphasis of Matter or Other Matter paragraphs.

The above summary is indicative and not exhaustive. The Statutory Auditor shall communicate all matters required under the applicable Standards Auditing, as amended from time to time.

8. Information Exchange and Auditor's Expectations:

Auditors shall communicate their expectations of two-way communication from TCWG. TCWG shall communicate to the Auditors on the matters that are relevant to audit such as:

i. Strategic decisions that may significantly affect the nature, timing and extent of audit procedures;
ii. The suspicion or the detection of fraud, and concerns with the integrity or competence of senior management;
iii. Significant communications, if any, with Regulators;

iv. TCWG's views, awareness and actions regarding Internal Controls including Internal Audit Function;
v. TCWG's awareness and actions in relation to developments in the financial reporting framework, corporate governance practices and other regulatory matters.

This expectation is without prejudice to the professional scepticism required of the Auditor as per the Standards on Auditing.

9. Escalation and Reporting Procedure:

In the event the auditor believes that a matter has not been adequately addressed or appropriately resolved, the auditor shall escalate the matter to the Board of Directors. Where required, and in accordance with applicable laws and professional obligations including the statutory reporting obligations in respect of fraud under Section 143(12) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the auditor shall consider reporting the matter to the appropriate regulatory or statutory authorities. Management shall not restrict, interfere with, or impede such escalation at any stage.

10. Form of Communication:

- The auditor may communicate matters either orally or in writing. Written communications may include an engagement letter that is provided to TCWG.

- All significant communications between the Statutory Auditors and TCWG shall be in writing and formally documented as minutes of the meeting.

- In case of oral communication, it shall be documented in writing and shall include the date, time and details of the persons involved in the communication. The written communication shall form part of the Audit Work Papers and part of the Agenda and Minutes of the Audit Committee Meeting held subsequently.

- The auditor shall communicate in writing with TCWG regarding planned scope and timing of audit, Auditor's assessment of risk of material misstatement due to fraud or error, Auditor's evaluation of the Internal Control System in the Company.

- Written communication shall be unambiguous and specific in respect of issues or matters for the consideration of both parties. Presentations in bullet form alone, or communication by emails with a caveat of no comments from the other party is construed as acceptance', is unacceptable, as it does not meet the objective of the SAs.

- Communication shall also contain the views/suggestions of TCWG subject matter raised by the Auditors and vice versa.

11. Frequency of Meetings:

- The TCWG and the Statutory Auditors shall hold at least two (2) meetings during each financial year, in person or virtually through video conference, with at least one (1) meeting mandatorily held in the month of May:

i. Meeting for planning the Audit will be conducted prior to start of the Audit discuss audit strategy, scope, materiality, resources planning identification of key and significant risk areas.

ii. Pre-Financial Statement Meeting will be conducted, before approval of Audited Financial Statement(s) to discuss the significant findings & judgment internal control deficiencies, unresolved concerns, and difference's opinion with Nodal Person.

- Further, additional meetings shall be convened upon request of the Auditor for the difficulties arise during the audit, including suspected or identified fraud in writing. The auditor may request a meeting whenever significant internal control weakness, or fundamental disagreements with management in respect of significant accounting estimates etc.

- While meetings may be physical or virtual, it shall not be mere circulation of presentations or reports without meaningful discussion.

- The recommendations and significant observations / outcome of the meeting ~~of~~ between the Statutory Auditors and TCWG shall be presented to the Audit Committee and if required will be placed before the Board of Directors to take note of the same.

- The meetings and communications under this framework shall be in addition to, and shall not substitute, the statutory meetings and responsibilities of the Audit Committee under Section 177 of the Companies Act, 2013 and Regulation 18 read with Part C of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

12. In-Camera (Private) Sessions:

Every scheduled meeting between the Statutory Auditors and TCWG shall include a dedicated private (in-camera) session between the Statutory Auditors and the members of TCWG without the presence of the Management. This session is intended to enable detailed discussion regarding management cooperation, internal controls, accounting judgments, or any sensitive audit matters.

13. Key Matters to be Communicated:

While the SAs, and provisions of the Act and Rules thereof have a comprehensive and detailed list of matters to be discussed with and communicated between the Auditors and TCWG, the following matters shall invariably form part of the agenda matters for interactions between Auditors and TCWG.

i. Audit Strategy and Audit Planning including quantification of Materiality and its effect on nature and extent of audit work;

ii. Auditors assessment of Risk of Material Misstatement (ROMM), Internal Control Environment in particular to prevent frauds and non-compliance with

critical laws and regulations;

iii. Areas of significant accounting policy judgment and management estimations;

iv. Areas requiring involvement of experts, either by the Management or the Auditors;

v. Other areas of concerns requiring special attention by the Auditors;

vi. Significant difficulties during the audit, like unavailability of expected information etc;

vii. 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;

viii. 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.

14. Documentation and Record Retention:

- All significant communications shall be documented in writing and shall include the date, time and details of the persons involved in the communication. The written communication shall form part of the Audit Work Papers and part of the Agenda and Minutes of the Audit Committee Meeting held subsequently.

- The Company shall ensure that minutes/ letters of meetings between the Statutory Auditors and TCWG are prepared promptly and placed before the subsequent Audit Committee Meeting for noting. These Minutes shall be retained as part of the Company's governance records.

- The Statutory Auditors shall retain copies of all such communications as part of their audit working papers, evidencing compliance with SA 260 (Revised) and SA 265.

15. Review:

The right to interpret/amend/modify this framework vests with the Audit Committee subject to the approval of the Board of Directors of the Company.

If any provision of this Framework becomes inconsistent with the provisions of the Act, applicable SAs, or any other applicable laws, rules, regulations or guidelines, the provisions of such Act, SAs or other applicable laws, rules and regulations shall prevail. Accordingly, the relevant provisions of this Framework shall be deemed to have been modified or amended to the extent of such inconsistency, even if such modification or amendment is not formally incorporated herein.