COAL INDIA LIMITED

(A Maharatna Company)

POLICY ON COMMUNICATION BETWEEN STATUTORY AUDITORS

AND THOSE CHARGED WITH GOVERNANCE (TCWG), INCLUDING AUDIT COMMITTEE

["TCWG Communication Policy"]

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Custodian	Company Secretariat
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Review Frequency	Annual, or earlier on regulatory change

1. Preamble and Background

The National Financial Reporting Authority ("NFRA"), vide Circular No. NF-25013/3/2025–NFRA dated 07.01.2026 ("the Circular"), addressed to all listed companies and companies covered under Rule 3 of the NFRA Rules, 2018, has emphasised the need to strengthen communication between Statutory Auditors and Those Charged with Governance ("TCWG"), including Audit Committees, in accordance with the Companies Act, 2013 ("the Act"), Standard on Auditing (SA) 260 (Revised) – Communication with Those Charged with Governance, and SA 265 – Communicating Deficiencies in Internal Control to Those Charged with Governance and Management.

Coal India Limited ("CIL" or "the Company"), being a listed Maharatna Central Public Sector Enterprise under the Ministry of Coal, Government of India, is within the scope of the Circular. This Policy has been formulated by the Board of Directors of CIL to institutionalise a structured, transparent, and documented two-way communication framework between the Statutory Auditors of the Company and TCWG, in letter and spirit of the Circular, the Act, and the applicable Standards on Auditing.

This Policy is also intended to be adopted, with such modifications as may be necessary, by the subsidiaries of CIL for their respective statutory audits.

2. Objective and Purpose

This Policy seeks to:

- Ensure timely, transparent, complete, and well-documented two-way communication between the Statutory Auditors and TCWG of CIL throughout the audit cycle;
- Clearly identify and document TCWG within CIL's governance structure at the commencement of every audit;
- Designate Nodal Persons to facilitate the flow of communication between the Statutory Auditors and TCWG;
- Prescribe the minimum meeting calendar, trigger-based communication obligations, agenda matters, and documentation standards for such communication;
- Ensure compliance with SA 260 (Revised), SA 265, other applicable Standards on Auditing, the Circular, and the Companies Act, 2013; and
- Strengthen audit quality, corporate governance, and shared accountability for the integrity of CIL's financial reporting process.

3. Definitions

"Act": means the Companies Act, 2013, and the rules made thereunder, as amended from time to time.

"Audit Committee" or "AC": means the Audit Committee of the Board of Directors of CIL, constituted under Section 177 of the Act and applicable SEBI (LODR) Regulations.

"Auditors" or "Statutory Auditors": means the statutory auditors of CIL appointed under Section 139 of the Act, including the Audit Engagement Team ("Audit Engagement Team"), and, where applicable, Comptroller and Auditor General (C&AG)-appointed branch auditors and supplementary audit functionaries.

"Board": means the Board of Directors of Coal India Limited.

"Circular": means NFRA Circular No. NF-25013/3/2025–NFRA dated 07.01.2026 on 'Effective Communication Between Statutory Auditors and Those Charged with Governance, Including Audit Committees'.

"Nodal Person(s)": means the persons designated under Para 6 of this Policy to coordinate and facilitate communication between the Auditors and TCWG.

"TCWG": means 'Those Charged with Governance', i.e., the person(s) or body(ies) with responsibility for overseeing the strategic direction of CIL and its accountability obligations, as determined under Para 5 of this Policy, in accordance with SA 260 (Revised), paragraph 10(a).

4. Applicability

This Policy applies to:

1. Coal India Limited, in respect of the statutory audit of its standalone and consolidated financial statements;
2. Communication between the Statutory Auditors (including Audit Engagement Team and, where relevant, branch/C&AG audit functionaries) and TCWG of CIL, in respect of every quarterly limited review and annual statutory audit;
3. Mutatis mutandis, the subsidiaries of CIL, which are encouraged to adopt a substantially similar framework for their own statutory audits, calibrated to their respective governance structures; and
4. CIL's Nominee Directors on the boards of joint ventures and associate companies, who shall, to the extent practicable, encourage the adoption of comparable communication practices at such entities.

5. Identification of TCWG within CIL's Governance Structure

In accordance with paragraph 3.1 of the Circular and paragraph 10(a) of SA 260 (Revised), TCWG for CIL shall be determined as follows:

5.1 Primary TCWG — Audit Committee

For matters relating to financial reporting, the statutory audit process, internal financial controls, related party transactions, and other matters falling within its terms of reference under Section 177 of the Act, SEBI (LODR) Regulations, and DPE Guidelines, the Audit Committee of the Board shall constitute TCWG.

5.2 Full Board as TCWG

For matters that are not delegated to the Audit Committee, or that by their nature require the attention of the full Board — including significant strategic decisions, matters materially affecting CIL's going concern status, suspected or identified fraud involving senior management, or concerns regarding the integrity or competence of senior management — the Board of Directors as a whole shall constitute TCWG for such specific matters.

5.3 Auditor's Determination

Notwithstanding the above, the Statutory Auditors shall, at the commencement of each audit, independently determine and document the appropriate constitution of TCWG for that audit cycle, and shall assess whether communication with the Audit Committee alone is sufficient or whether specific matters warrant communication with the full Board, in line with SA 260 (Revised).

5.4 Documentation

The determination of TCWG for each audit cycle shall be recorded in the Audit Engagement Letter and/or the minutes of the first Audit Committee meeting held in connection with that audit cycle.

6. Nodal Persons

In accordance with paragraph 5.3(b) of the Circular, the following Nodal Persons shall facilitate two-way communication between the Auditors and TCWG:

- Board-side Nodal Person(s): [Chairperson of the Audit Committee / one Independent Director and one Non-Independent Director], to be named by the Board annually.
- Auditor-side Nodal Person(s): The Engagement Partner of the Statutory Auditors, or a Senior partner of the Firm.

After nomination, the names and contact particulars of the Nodal Persons for each financial year shall be recorded in the Audit Committee's records and communicated formally to the Statutory Auditors at the start of the audit cycle.

7. Communication Framework

This para sets out CIL's communication framework in line with the eight elements identified in paragraph 5.3 of the Circular.

(a) Objective and Purpose of Two-Way Communication

As set out in Para 2 of this Policy — to enable TCWG to fulfil its oversight responsibility over financial reporting with timely and complete visibility into audit planning, findings, and risk areas, and to enable the Auditors to obtain information relevant to the audit from TCWG.

(b) Nodal Persons

As designated under Para 6 above.

(c) Expectations of Two-Way Communication from TCWG

TCWG shall proactively communicate to the Auditors, without prejudice to the Auditors' professional scepticism, matters including:

- Strategic decisions that may significantly affect the nature, timing, or extent of audit procedures;
- Suspicion or detection of fraud;
- Concerns regarding the integrity or competence of senior management;
- Significant communications with regulators (including the Ministry of Coal, SEBI, C&AG, GEDA/State agencies, or other statutory/regulatory bodies), and TCWG's views thereon;
- TCWG's awareness of, and actions regarding, the Internal Control environment, including the Internal Audit function; and
- TCWG's awareness of, and actions in relation to, developments in the financial reporting framework, corporate governance practices (including DPE Guidelines), and other regulatory matters applicable to CIL.

(d) Standards on Auditing Requiring Communication with TCWG

A summary of the key SAs requiring communication with TCWG — including SA 240 (Fraud), SA 250 (Laws and Regulations), SA 260 (Revised), SA 265 (Internal Control Deficiencies), SA 450 (Misstatements), SA 550 (Related Parties), SA 570 (Revised) (Going Concern), SA 580 (Written Representations), SA 610 (Revised) (Internal Audit), SA 701 (Key Audit Matters), SA 705 (Revised) and SA 706 (Revised) (Modifications/Emphasis of Matter) — shall be appended to the Audit Engagement Letter each year and tabled before the Audit Committee at the commencement of the audit.

(e) Escalation Process

Where the Audit Committee (as a sub-group of TCWG) is unable to resolve a matter raised by the Auditors to its satisfaction, or where the Auditors determine that a matter warrants the attention of the full Board, the Board-side Nodal Person shall escalate the matter to the Chairperson of the Board for inclusion in the agenda of the next Board meeting, or an earlier meeting convened for the purpose, as the urgency of the matter requires.

(f) Documentation of TCWG's Views/Instructions

All significant matters communicated by the Auditors — including the planned scope and timing of the audit, the Auditors' assessment of the Risk of Material Misstatement (ROMM) due to fraud or error, and the Auditors' evaluation of CIL's Internal Control System — together with TCWG's views, instructions, or actions in response, shall be documented in the minutes of the relevant Audit Committee or Board meeting, and retained as part of the Audit Committee's records.

(g) Frequency of Meetings and Agenda

As set out in Para 8 below.

(h) Form of Communication

All significant communications between the Auditors and TCWG shall be in writing and formally acknowledged by both parties, either through minutes of meetings or through formal correspondence, in accordance with Para 9 of this Policy.

8. Meeting Calendar and Trigger-Based Communication

8.1 Minimum Annual Meetings

In compliance with the Circular, a minimum of two structured, formal meetings shall be held between the Statutory Auditors and TCWG in every financial year:

5. Pre-Audit Meeting — held before commencement of the statutory audit, to discuss the audit strategy, scope, timing, materiality thresholds, and key risk areas, including areas of significant accounting judgment and estimation.
6. Pre-Approval Meeting — held sufficiently in advance of the Board's approval of the annual financial statements, to discuss significant audit findings, proposed key audit matters, internal control deficiencies (if any), and any unresolved concerns.

8.2 Trigger-Based Meetings

In addition to the minimum annual meetings, the Auditors may request a meeting with TCWG in writing where, among other circumstances:

- The Auditors experience significant difficulty in obtaining sufficient appropriate audit evidence;
- The Auditors have reason to believe that a fraud may exist or have occurred;
- The Auditors have observed significant weaknesses in internal controls; or
- The Auditors have material differences of view with Management on significant accounting estimates or judgments.

On receipt of such a request, TCWG shall either accede to the meeting or communicate, in writing, its reasons for declining, within a reasonable time.

9. Form and Documentation of Communication

All communication between the Auditors and TCWG under this Policy shall meet the following minimum standards:

- Communication shall be in writing; where communication is oral, it shall be documented in writing, recording the date, time, and persons involved.
- Written communication shall form part of the Auditors' Audit Work Papers and shall also be reflected in the agenda and minutes of the relevant Audit Committee or Board meeting.
- Communication shall be specific and unambiguous. Bullet-point-only presentations, or communication via email with a caveat that silence constitutes acceptance, shall not be treated as compliant communication.
- Communication shall record the views and suggestions of TCWG on matters raised by the Auditors, and vice versa — i.e., it must reflect a genuine two-way exchange.
- Sufficient time shall be allocated for each meeting to permit meaningful discussion and a documented outcome.

10. Standing Agenda Matters

Without prejudice to any other matter that may be relevant, the following shall invariably form part of the agenda for interactions between the Auditors and TCWG:

7. Audit strategy and planning, including materiality and its effect on the nature and extent of audit work, and the Auditors' assessment of the Risk of Material Misstatement;
8. The internal control environment, with particular reference to fraud prevention and compliance with critical laws and regulations applicable to CIL, including mining, environmental, and labour regulations;
9. Areas of significant accounting policy judgment and management estimation (e.g., mine closure and site restoration provisions, stripping activity adjustments, employee benefit obligations, inventory valuation);
10. Areas requiring the involvement of experts, whether engaged by Management or by the Auditors;
11. Status of audit work and significant findings, including any significant difficulties encountered during the audit;
12. Significant and material weaknesses in internal financial controls, and the status of the Auditors' report on the adequacy and operating effectiveness of internal financial controls;
13. Related party transactions, including any concerns as to whether they were entered into in the ordinary course of business or on an arm's length basis;
14. Significant or unusual transactions outside the normal course of business;
15. The Auditors' compliance with independence requirements and the Code of Ethics, including a statement on relationships between the Auditors (and network firms) and CIL that may bear on independence, and safeguards applied, as required for listed entities; and
16. Any significant communication with regulators, including C&AG, SEBI, the Ministry of Coal, or other statutory authorities, bearing on CIL's financial statements or internal controls.

11. Roles and Responsibilities

11.1 Board of Directors

The Board shall approve this Policy, review it periodically, and, in its capacity as TCWG for matters not delegated to the Audit Committee, ensure meaningful engagement with the Statutory Auditors as contemplated herein.

11.2 Audit Committee

The Audit Committee shall act as the primary TCWG for the purposes of this Policy, oversee compliance with the meeting calendar and documentation requirements, and escalate matters to the Board where warranted.

11.3 Statutory Auditors

The Statutory Auditors shall determine and document TCWG at the commencement of each audit, adhere to the communication framework set out in this Policy, and ensure compliance with SA 260 (Revised), SA 265, and other applicable Standards on Auditing.

11.4 Company Secretary

The Company Secretary shall place this Circular and this Policy before the Board and Audit Committee as required, coordinate scheduling of meetings, ensure proper recording of minutes, and monitor follow-up actions arising from communications between the Auditors and TCWG.

12. Confidentiality and UPSI

All communications under this Policy shall be treated with appropriate confidentiality. Where any communication involves Unpublished Price Sensitive Information (UPSI), the same shall be handled strictly in accordance with CIL's Code of Practices and Procedures for Fair Disclosure of UPSI and the Code of Conduct to Regulate, Monitor and Report Trading by Insiders, framed under the SEBI (Prohibition of Insider Trading) Regulations, 2015, as applicable to CIL.

13. Applicability to Subsidiaries, Joint Ventures, and Associates

CIL's Subsidiaries, Joint Ventures, and Associates shall be encouraged to adopt a substantially similar TCWG communication framework, calibrated to their respective Board and Audit Committee structures, for their own statutory audits.

14. Consequences of Non-Compliance

Any instance of non-compliance with this Policy shall be reported to the Audit Committee. Repeated or significant deviations — whether on the part of Management, Nodal Persons, or the Statutory Auditors — shall be recorded in the Audit Committee's minutes and, where necessary, brought to the attention of the Board, having regard to NFRA's stated position that non-compliance with SA 260 (Revised) and SA 265 impacts the governance framework of public interest entities and is not merely a procedural lapse.

15. Review and Amendment

This Policy shall be reviewed by the Board through Audit Committee at least annually, or earlier if warranted by changes in law, Standards on Auditing, NFRA circulars, SEBI (LODR) Regulations, or DPE Guidelines applicable to CIL. Any amendment to this Policy shall require approval of the Board of Directors.

16. Acknowledgement and Feedback Mechanisms

16.1. Acknowledgement

- All significant communications shall be in writing and formally acknowledged by both the Auditor and TCWG, either in the form of minutes of the meeting or letters/emails.

16.2. Feedback Mechanisms

- Annual feedback from auditors on the communication process.
- Internal feedback from Management and AC members on auditor responsiveness.
- Issues raised through feedback shall be reviewed annually and acted upon.

17. Limitation & Amendment

- In the event of any conflict between the provisions of this Policy and of the prevailing laws or rules, the provisions of such laws and rules shall prevail over this Policy.

18. Regulatory References

- NFRA Circular No. NF-25013/3/2025–NFRA dated 07.01.2026 — Effective Communication Between Statutory Auditors and Those Charged with Governance, Including Audit Committees.
- Standard on Auditing (SA) 260 (Revised) — Communication with Those Charged with Governance.
- Standard on Auditing (SA) 265 — Communicating Deficiencies in Internal Control to Those Charged with Governance and Management.
- Companies Act, 2013 — Sections 134, 143, and 177, and Schedule IV (Code for Independent Directors).
- SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable to CIL.

Annexure A — TCWG Communication Log (Template)

To be maintained by the Company Secretary and tabled at each Audit Committee meeting.

Date	Mode (Written / Meeting)	Matter Communicated	TCWG's Response / Views	Follow-up Action	Status

Annexure B — Designated Nodal Persons (FY [__]-[__])

Role	Name	Designation
Board-side Nodal Person		
Auditor-side Nodal Person		

Approved by the Board of Directors of Coal India Limited on 15.10.2026.