

Risk Management Policy

1. PREAMBLE:

This Policy is formulated in accordance with the Regulation 4(2)(f), 17(9), 21, 62I and Part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and section 134(3), 177(4) of the Companies Act, 2013 (“Act”) read with Rules made thereunder, as amended from time to time.

2. OBJECTIVE

The main objective of this policy is to ensure sustainable business growth with stability and to promote a proactive approach in reporting, evaluating and resolving risks associated with the business. In order to achieve the key objective, the policy establishes a structured and disciplined approach to Risk Management, in order to guide decisions on risk related issues.

THE SPECIFIC OBJECTIVES OF THE RISK MANAGEMENT POLICY ARE:

1. To ensure that all the current and future material risk exposures of the company are identified, assessed, quantified, appropriately mitigated, minimized and managed i.e. to ensure adequate systems for risk management
2. To establish a framework for the company’s risk management process and to ensure its implementation.
3. To enable compliance with appropriate regulations, wherever applicable, through the adoption of best practices.
4. To assure business growth with financial stability.

3. COMPONENTS OF RISK MANAGEMENT FRAMEWORK

Risk Management Framework of the Company comprises of:

3.1 RISK MANAGEMENT STRUCTURE



The Risk Management Organization of the Company shall comprise of the following:

(a) Board of Directors (BoD)

- Shall be responsible for framing, implementing and monitoring the risk management plan. This will be achieved by review of the risk assessment and minimization procedures across the Company after review and recommendation of the Risk Management Committee ('RMC')

(b) Risk Management Committee

- Advise the Board on the Company's overall risk tolerance and strategy
- Oversee and advise the Board on the current risk exposures and future risk strategy of the Company
- Review the Company's overall risk assessment processes, the parameters used in these measures and the methodology adopted
- Advise the Board on Business continuity plan

(c) Risk Owners/ Mitigation Plan Owners

- Risk owners are Senior Management personnel who are responsible for monitoring of key risks and ensuring timely implementation of mitigation plans
- Mitigation plan owners are responsible for timely implementation of the mitigation plans assigned to them and periodic certification on their effectiveness

3.2 RISK MANAGEMENT PROCESS

Risk Management is a continuous process of identification, prioritization, mitigation, monitoring and reporting of risk implementation status

(a) Establishing Context

The components of Risk Management are different for different companies and are defined by the company's business model, organizational structure and risk appetite. It is essential to align the Company's Risk Management focus with its objectives and strategies. This shall be Half-Yearly exercise carried out by RMC which shall establish the overall risk exposure, tolerance, Risk Management strategies and governance structure.

(b) Risk Identification / Refresh

- Risk Identification is the first step in building the risk profile which captures significant risks that may have an adverse impact on the organization's objectives. It involves creation of a Risk Library based on detailed study of business processes and inputs from Senior Management personnel. These risks may be classified into the following broader categories:

- Market risks Price Risks – Risk of incurring loss arising out of changes in market forces.
- Liquidity risks – means the risk of not being able to meet a financial obligation when it becomes due.
- Credit risks - The risk of loss arising from a debt or being unlikely to pay its loan obligations.
- Strategic risks: are risks that affect or are created by an organization's business strategy and strategic objectives. For example - Competition, Growth, Innovation, etc.
- Operational risks: are major risks that affect an organization's ability to execute its strategic plan. For example - Environment, Health & Safety, Cyber Security, IT Security/ Access, Procurement & Inventory, etc.
- Compliance risks: relate to legal and regulatory compliances. For example - Ethics, Accounting Reporting and Disclosure, Tax Compliance and Audit Management, etc.
- Financial risks: include areas such as forex risk, interest rate risk, market, financial reporting, etc. Financial risk management to protect the Company from certain risks such as realization of trade receivables in various foreign currencies, exposure of borrowings in difference currencies, floating and fixed rate of interest and price fluctuations on input materials and other economic conditions.
- Commodity risks: This risk can be mitigated by defining the Policy of hedging or keeping it open based on the net exposure on account of commodity price fluctuation and if required, enter into hedging transactions based on materiality of exposure. The exposure would be considered material if its exceeds the thresholds limits provided under the Company's Policy on Material Events and Information.
- Sustainability risks: includes areas such as Environmental, Social and Governance risks, etc.
- Risk Refresh is a continuous activity which ensures that new emerging risks are identified & included in Risk Library for prioritization. The Risk Library shall be reviewed on Half yearly basis by Board for identification of new risks / modification of the existing risks.

(c) Risk Prioritization

Risk Prioritization is the process of rating the risks in order to identify those risks which may have the most significant impact on the achievement of the stated

goals and objectives of the businesses. The identified risks shall be prioritized by Board based on the following parameters:

- **Impact** - Extent to which risk event might affect the company
- **Likelihood** - The possibility that a given risk event will occur

A risk matrix is used in the risk management process. It creates a risk score from the combination of the likelihood and the impact of the Risk.

(d) Risk Mitigation

Risk Mitigation is the process of initiating responsive action for managing the critical risks and restricts them at a tolerable level. Board shall prepare detailed plans to mitigate the identified risks. Board shall also set-up systems and processes for internal control of identified risks. Risk Mitigation process is broken down into the following activities:

- Root cause analysis to identify risk drivers
- Development of mitigation strategies
- Development of detailed mitigation plans with proper ownership and implementation timelines
- Optimum risk coverage for identified insurable risks

(e) Risk Review

On half yearly basis, RMC shall review and advice the Board on the following:

- Overview of the Risk Management process in place and status of Risk Management activities
- Status of implementation of the mitigation plans for key risks
- New risks identified and actions taken with regard to these risks

4. REVIEW / AMENDMENT

The Board may amend, abrogate, modify or revise any or all provisions of this Policy on the recommendation of the Risk Management Committee. RMC to review the Risk Management policy at least once in 2 years. In case, any provision(s) of this Policy is contrary to or inconsistent with the provision(s) of the applicable laws, the provision(s) of the applicable laws shall prevail. Further, amendments in the applicable laws shall be binding even if not incorporated in this Policy.

This Policy was approved by the Board of Directors of the Company at its meeting held on July 17, 2025. This Policy shall be effective from July 17, 2025.