

RISK MANAGEMENT POLICY

INTRODUCTION:

Risk management is a key aspect of the good Governance and efficient operations which aims to improvise the governance practices across the Company's activities. Risk Management Policy and processes will enable the Company to proactively manage uncertainty and changes in the internal and external environment to limit negative impacts and capitalize on opportunities.

OBJECTIVE & PURPOSE:

The main objective of this policy is to mitigate possible impediments in business growth and to ensure stability and pro-active approach in identifying, establishing improving internal controls, evaluating & testing, suggesting additional controls, and attempting to mitigate risks associated with the business.

This policy facilitates management of risks associated with the activities of the Company and attempting to minimize the impact of undesired and unexpected events. Risk management, performed rigorously and comprehensively, creates stability, indirectly contributes to profit and is a key element of efficient management and creating, maintaining and improving shareholders' wealth.

REGULATORY FRAMEWORK / REQUIREMENT:

Section 134(3) of the Companies Act, 2013 (the Act) requires a statement to be included in the Report of the Board of Directors (Board) of the Company, indicating development and implementation of a Risk Management Policy (RMP) for the Company, including identification therein of elements of risk, if any, which, in the opinion of the Board, may threaten the existence of the Company.

Furthermore, Regulation 17 and Regulation 21 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (Listing Regulations), requires that the Company set out procedures to inform the Board of risk assessment and minimization procedures and provides guidelines for framing, implementing and monitoring the risk management plan of the Company.

Board of Directors:

In line with the provisions of the Act and Listing Regulations, Board of Directors of the Company will be responsible for the following:

- Constitute / re-constitute RMC;
- Review the functioning of the RMC and to formulate, review and approve a detailed Risk Management Policy which shall include:
 - (a) A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral,

sustainability (particularly, Environmental, Social and Governance related risks), information, cyber security risks or any other risk as may be determined by the Committee.

- (b) Measures for risk mitigation including systems and processes for internal control of identified risks.
- (c) Business continuity plan.

Risk Management Committee:

The Company has a committee of the Board, viz. the Risk Management Committee (RMC), which was constituted with the overall responsibility of overseeing and reviewing risk management across the Company. The terms of reference of the RMC will be as follows:

Scope

The Company's Risk Management Policy and Risk Management Framework have been developed to include:

- Identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, Environmental, Social and Governance related risks), information, cyber security risks or any other risk as may be determined by the Committee including other elements of risk, if any, which in the opinion of the Board may threaten the existence of the Company.
- Measures for risk mitigation including systems and processes for internal control of identified risks.
- Business Continuity Plan.

Composition Meetings and Quorum

The Committee shall have minimum 3 members with majority of them being members of the Board including at least one Independent Director. Senior executives of the Company may be members of the said Committee, but the Chairperson of the Committee shall be a member of the Board.

The RMC shall meet at least twice a year. The quorum for a meeting of the RMC shall be either two members or one third of the members of the committee, whichever is higher, including at least one member of the Board in attendance.

The meetings of the RMC shall be conducted in such a manner that on a continuous basis not more than 210 days shall elapse between any two consecutive meetings.

Authority

The RMC shall have free access to management and management information. The RMC, at its sole authority, may seek the advice of outside experts or consultants where necessary.



Terms of reference

The RMC shall:

- ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- monitor and oversee implementation of the RMP, including evaluating the adequacy of risk management systems;
- periodically review the RMP, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- Review the appointment, removal, and terms of remuneration of the Chief Risk Officer, if any.
- Shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the Board.

The role and responsibilities of the RMC shall include such other items as may be prescribed by applicable law or the Board in compliance with applicable law, from time to time.

Implementation Structure

- Process Owners / Head of the Departments shall be responsible for framing and implementing the risk management system as may be applicable to their respective areas of functioning and report the same to the Chairman & Managing Director. Risk management process should be integrated with other planning process and management activities.

The Chairman to report to the Committee on the risks identified, evaluation of such risks, steps taken to monitor and mitigate such identified risks.

DISCLOSURE:

Composition of RMC, RMC Policy, as approved by the Board, and other regulatory disclosures will be made available on the website of the Company.

As required under the Act, a statement indicating development and implementation of this policy shall be disclosed in the Annual Report. This statement shall also include the elements of risk identified, if any, which in the opinion of the Board may threaten the existence / business of the Company.

AMENDMENT TO THE POLICY:

In case of any doubt regarding any provision of the policy and also in respect of matters not covered herein, a reference to be made to the Committee. In all such matters, the interpretation & decision of the Committee shall be final & binding.



Any or all provisions of the RMC Policy would be subject to revision / amendment by the Board in the best interests of the Company and / or in accordance with the guidelines on the subject as may be issued by the Government, from time to time.

The Company reserves the right to modify, cancel, add, or amend any part of this Policy document.

APPROVED BY:

Board of Directors of the Company in its meeting held on 24th January 2025.

