RISK MANAGEMENT POLICY

[As per Companies Act 2013 & SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

I. Objective

The purpose of this policy is to:

- Establish a structured approach to identify, assess, mitigate, and monitor risks.
- Safeguard the Company's assets, reputation, and long-term value.
- Ensure compliance with applicable regulatory requirements.

II. Regulatory Framework

This Policy is framed in line with:

- **Section 134(3)(n)** of the Companies Act, 2013
- **Regulation 21** of SEBI (LODR) Regulations, 2015
- Guidance from industry best practices on enterprise risk management (ERM)

III. Definitions

- Risk: The effect of uncertainty on business objectives.
- Risk Management: Coordinated activities to direct and control risk.
- Risk Owner: The individual or function responsible for managing a specific risk.

IV. Applicability

This policy applies to:

- The Board of Directors
- Risk Management Committee (if applicable)
- Key Managerial Personnel
- Departmental Heads and Senior Management

V. Types of Risks Covered

This Policy includes, but is not limited to, the management of the following types of risks:

- Strategic Risk – risks affecting the Company's strategic objectives
- Financial Risk – liquidity, credit, currency fluctuation, interest rate risks
- Operational Risk – risks arising from processes, systems, people, and external events
- Compliance Risk – risks related to legal, regulatory, and contractual obligations
- Reputational Risk – risks affecting brand image and stakeholder trust
- Cybersecurity & IT Risk – risks of data breaches, system failures
- Environmental, Social, and Governance (ESG) Risk – sustainability, climate-related, and ethical risks

VI. Risk Management Framework

The Company adopts a five-step ERM approach:

1. Risk Identification
    - Internal and external risks are identified through workshops, audits, reporting channels, and strategic planning processes.
2. Risk Assessment
    - Each risk is assessed based on likelihood and impact using a risk matrix (low/medium/high).
3. Risk Mitigation
    - Controls are designed to mitigate risks to acceptable levels. This includes process improvements, policies, automation, and insurance.
4. Risk Monitoring & Reporting
    - Regular monitoring by risk owners and periodic reviews by management.
    - Material risks are reported to the Board or Risk Management Committee.
5. Risk Communication
    - Risk updates are shared across levels to promote awareness and accountability.

VII. Governance Structure

Board of Directors

- Reviews key risks and mitigation strategies
- Approves the Risk Management Policy

Risk Management Committee

- Formed under Regulation 21 of SEBI LODR (mandatory for top 1000 listed entities by market cap)
- Oversees risk management practices
- Reports to the Board

Chief Risk Officer / Risk Coordinator

- Coordinates risk activities across the Company
- Maintains the risk register and risk mitigation status

Functional Heads / Risk Owners

- Identify and mitigate risks in their respective domains
- Report risk status and incidents periodically

VIII. Risk Appetite and Tolerance

The Company shall define and regularly review its **risk appetite** — the level of risk it is willing to accept. Risks exceeding defined thresholds shall be escalated to the Risk Committee or Board for action.

IX. Business Continuity & Crisis Management

The Company shall maintain a Business Continuity Plan (BCP) and Disaster Recovery Plan (DRP) to ensure resilience during critical events or disruptions.

X. Policy Review and Amendment

- This Policy shall be reviewed at least once every two years, or earlier if required by regulatory changes or internal assessments.

- Amendments must be approved by the Board of Directors.

XI. Review and Amendment

Composition of the Risk Management Committee and summary of risk practices shall be disclosed in the Annual Report and on the Company's website as per SEBI LODR.