RISK MANAGEMENT POLICY

1. PREAMBLE

This Risk Management Policy ("Policy") is framed pursuant to the provisions of:

- Section 134(3)(n) of the Companies Act, 2013;
- Applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations"), including Regulation 21 and Schedule II;
- Other applicable laws, rules, regulations, and statutory modifications thereof.

The Company recognizes that risk is an integral part of business and is committed to managing risks in a proactive and efficient manner to safeguard stakeholder interests, ensure sustainable business growth, and strengthen corporate governance practices.

2. OBJECTIVE

The objectives of this Policy are to:

1. Establish a structured and disciplined approach to Risk Management.
2. Identify, assess, monitor, mitigate, and report material risks.
3. Integrate risk management into strategic and operational decision-making.
4. Protect shareholders' value and business continuity.
5. Ensure compliance with legal and regulatory requirements.
6. Strengthen internal controls and governance mechanisms.
7. Monitor emerging risks including cyber security, data privacy, ESG, regulatory, and operational risks.

3. APPLICABILITY

This Policy shall apply to:

- The Company;
- All departments, business units, subsidiaries, joint ventures, and associates, wherever applicable.

4. DEFINITIONS

"Risk"

Risk means the possibility of occurrence of any event that may adversely affect the achievement of the Company's objectives.

"Risk Management"

Risk Management means the systematic process of identifying, evaluating, monitoring, controlling, and mitigating risks.

"Risk Management Committee" or "RMC"

Means the committee constituted by the Board in accordance with applicable provisions of SEBI LODR Regulations.

5. REGULATORY FRAMEWORK

This Policy is guided by:

Companies Act, 2013

Section 134(3)(n) requires the Board's Report to contain a statement indicating development and implementation of a Risk Management Policy including identification of elements of risk threatening the existence of the Company.

SEBI LODR Regulations

Regulation 21 and Schedule II require top listed entities (as applicable) to constitute a Risk Management Committee and define its role, responsibilities, composition, quorum, and meeting frequency. Recent amendments also emphasize cyber security oversight and periodic review.

6. RISK MANAGEMENT FRAMEWORK

The Company shall adopt the following Risk Management framework:

A. Risk Identification

Identification of internal and external risks affecting:

- Strategy;
- Operations;
- Finance;

- Compliance;
- Technology and cyber security;
- Reputation;
- ESG and sustainability;
- Human resources;
- Supply chain;
- Legal and regulatory matters.

B. Risk Assessment

Risks shall be evaluated based on:

- Probability of occurrence;
- Financial impact;
- Reputational impact;
- Operational disruption;
- Regulatory implications.

C. Risk Mitigation

Appropriate mitigation measures shall include:

- Internal controls;
- SOPs and policies;
- Insurance coverage;
- Business continuity planning;
- Cyber security controls;
- Vendor due diligence;
- Compliance monitoring.

D. Risk Monitoring

Risks shall be monitored periodically through:

- Internal audit;
- Compliance reviews;
- Management reporting;
- Key Risk Indicators (KRIs);
- Incident reporting mechanisms.

E. Risk Reporting

Material risks and mitigation status shall be periodically reported to:

- Senior Management;
- Risk Management Committee;
- Audit Committee;
- Board of Directors.

7. RISK ASSESSMENT OF BORROWERS

It is generally recognized that certain borrowers may be of a higher or lower risk category depending on the customer's background, type of business, our references, borrowers net worth and the ability to refund and pay interest etc. As such, the principal officer shall apply to each of the customers due diligence measures on a risk sensitive basis and shall divide the same in three categories HIGH MEDIUM AND LOW which shall be reviewed every year. Initially all the new clients are to be marked as high – risk category, however they may be subsequently recategorized depending on their performance based on our own experiences. The basic principal enshrined in this approach is that the concerned persons should adopt an enhanced customer due diligence process for higher risk customers. Conversely, a simplified customer due diligence process may be adopted for lower risk of categories of customers. In line with risk based approach, the type and amount of information and documents shall vary depending on the risk category of a particular borrower and should be collected from the client. The beneficial owners working should be done for all corporate clients and background check of all directors. In case of a borrower who subsequently has turned out to be a Politically Exposed person, proper risk management system should be put in place to determine the beneficial ownership from such clients or potential clients. Once we are privy to such publicly available information or the commercial electronic database of PEPs, we should seek additional relevant information from such client pertaining to ownership issues and other risks associated with such persons and take call whether such exposure to him or his company we should continue or terminate the relationship after giving notice in advance. As a policy without concurrence of top management, no such identified PEP account is to be granted loan. Suspicion of ML/FT activities or other factors give rise to belief that the client does not fall under the low risk category, and the risk perception shall accordingly changed.

8. OBLIGATIONS OF THE PRINCIPAL OFFICER

The Principal Officer is required to carry out risk assessment to identify, assess and take effective measures to mitigate its money laundering and terrorist financing risk with respect to such borrower, countries or geographical areas, nature and volume of transaction, payments method used by borrowers. The risk assessment shall also take into account any country specific information provided or circulated by Government of India and SEBI from time to time. The risk assessment carried out shall consider all the relevant risk factors before determining the level of overall risk and the appropriate risk level and type of mitigation to be applied. This assessment shall be documented, updated regularly and made available to competent authorities and self regulating bodies as and when required. In case of the change in perception the risk assessment in case of PEP borrower should be again done to ascertain whether it is prudent to continue with the exposure with such PEP borrower or not. In case it is felt that the funds are not safe, the funds should be recalled immediately with out delay.

9. AMENDMENT

The Board of Directors reserves the right to amend, modify, or replace this Policy in whole or in part at any time in accordance with applicable laws.

10. BOARD OF DIRECTORS MEETINGS AND REVIEW

The Board of Directors, in their board meetings, will oversee the implementation of the system and review its functioning periodically.