



## **RISK MANAGEMENT POLICY**

*Latest updated in Board Meeting held on February 12, 2025*

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### **1. Objective**

The main objective of this policy is to ensure sustainable business growth with stability and to promote a pro-active approach in reporting, evaluating, and resolving risks associated with the business. In order to achieve the key objective, this Risk Management Policy (“**Policy**”) establishes a structured and disciplined approach to risk management, including the development of the risk register, in order to guide decisions on risk evaluating & mitigation related issues. The Policy is in compliance with the regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**SEBI Listing Regulation**”) and provisions of Companies Act, 2013 (“**Act**”), which requires the Company to lay down procedures about risk assessment and risk mitigation.

### **2. Applicability**

This policy applies to every part of **Rashi Peripherals Limited** (“**Company**”) business and functions.

### **3. Definitions**

a) “**Board**” means the board of directors of **Rashi Peripherals Limited**.

### **4. Risk Management**

Principles of Risk Management:

1. The risk management shall provide reasonable assurance in protection of business value from uncertainties and consequent losses.
2. All concerned process owners of the company shall be responsible for identifying & mitigating key risks in their respective domain.
3. The occurrence of risk, progress of mitigation plan and its status will be monitored on periodic basis.

### **5. Risk Management Procedures**

#### ***a) General***

Risk management process includes four activities: risk identification, risk assessment, risk mitigation and monitoring & reporting.

#### ***b) Risk Identification***

The purpose of risk identification is to identify the events that can have an adverse impact on the achievement of the business objectives. The Functional heads to identify internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee

**c) Risk Assessment**

Assessment involves quantification of the impact of risks to determine potential severity and probability of occurrence. Each identified risk is assessed on two factors which determine the risk exposure:

- (i) Impact if the event occurs
- (ii) Likelihood of event occurrence

Risk categories: It is necessary that risks are assessed after taking into account the existing controls, so as to ascertain the current level of risk. Based on the above assessments, each of the risks can be categorized as – low, medium and high.

**d) Risk Management Process**

Risk management is not a stand-alone discipline but needs to be integrated with the existing business processes to deliver the greatest benefits. As a minimum, risk management must be integrated with the core processes and all critical risks identified must be recorded and risk plans.

The risk management process of the organization is broadly categorizing; the process consists of the following stages/steps:

- Establishing the Context
- Risk Assessment (identification, analysis & evaluation)
- Risk Treatment (mitigation plan)
- Monitoring, review and reporting
- Communication and consultation

**e) Risk Mitigation**

The following framework shall be used for implementation of risk mitigation plan:

- (i) Risk avoidance: By not performing an activity that could carry risk. Avoidance may seem the answer to all risks, but avoiding risks also means losing out on the potential gain that accepting (retaining) the risk may have allowed.
- (ii) Risk transfer: Mitigation by having another party to accept the risk, either partial or total, typically by contract or by hedging / insurance.
- (iii) Risk reduction: Employing methods/solutions that reduce the severity of the loss e.g. concreting being done for preventing landslide from occurring.
- (iv) Risk retention: Accepting the loss when it occurs. Risk retention is a viable strategy for small risks where the cost of insuring against the risk would be greater than the total losses sustained. All risks that are not avoided or transferred are retained by default.

## **6. Business Continuity Plan**

Business Continuity Plans (BCP) are required to be defined for High Impact & High Velocity risk, to enable rapid response to address the consequence of such risks when they materialize. Business Continuity Planning shall be embedded in the Internal Controls and Crisis Management framework for products, systems and processes etc.

## **7. Risk Management Committee**

The Board have formed a Risk Management Committee (“**Committee**”) who shall periodically review the risk management policy of the Company so that the management controls the risk through properly defined network.

The Board may re-constitute the composition of the Committee, as it may deem fit, from time to time.

The majority of members of Committee shall consist of members of the board of directors. The chairperson of the Committee shall be a member of the Board of Directors and senior executives of the listed entity may be members of the Committee.

The day to day oversight and management of the Company’s risk management program has been conferred upon the Committee. The Committee is responsible for ensuring that the Company maintains effective risk management and internal control systems, processes, and provides regular reports to the Board on the effectiveness of the risk management program in identifying and addressing material business risks.

To achieve this, the Committee is responsible for following:

1. To formulate a detailed risk management policy which shall include:
  - a. framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG 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.
2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

5. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
6. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

The Risk Management Committee 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 of directors.

#### *Monitoring and reviewing risks*

Risk monitoring, reviewing mitigating and reporting are critical components of risk management process. Once risks are identified, it is necessary to prioritize them based on the impact, dependability on other functions, effectiveness of existing controls etc.

Internal audit reviews risks once a year and adds any new material risk identified to the existing list. These will be taken up with respective functional head for its mitigation.

Existing process of risk assessment of identified risks and its mitigation plan will be appraised to Board on an annual basis.

#### *Amendment*

Any change in the Policy shall be approved by the Board. The Board shall have the right to withdraw and/or amend any part of this Policy or the entire Policy, at any time, as it deems fit, or from time to time, and the decision of the Board in this respect shall be final and binding. Any subsequent amendment/modification in the Act or the rules framed thereunder or the SEBI Listing Regulations and/or any other laws in this regard shall automatically apply to this Policy.

#### *Communication of this Policy*

This Policy shall be posted on the website of the Company. Further, The Annual Report of the Company shall disclose, the composition of the Committee, meetings, attendance, and risk-related disclosures under SEBI Listing Regulations, as may be necessary to comply with the requirement.