RISK MANAGEMENT POLICY

Policy Change log			
Version	**Issued on**	**Effective from**	**Purpose of change**
v1	September 18, 2025	September 18, 2025	New Policy release

PARIJAT INDUSTRIES (INDIA) LIMITED

(Formerly Known as Parijat Industries (India) Private Limited)

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1. Preamble

The current dynamic business environment within which Parijat Industries (India) Limited ("**Company**") operates, makes it necessary to establish a robust risk management policy and framework, which will assist in identifying and managing various risks in an effective manner. Risks are ever evolving and emerge from both internal and external environment and spans across various categories i.e. Financial, Operational, Reporting, Regulatory, Environment, Strategic, and Technological . An Enterprise Risk Management (ERM) program can help organizations understand emerging developments that are on the horizon, and assign the resources needed to stay in step or one step ahead of the next disruptive technology which the Company aims to achieve through this Policy.

The Company has established this Risk Management Policy (the "**Policy**") in line with Regulation 17 and Schedule II of SEBI (Listing Obligations and Disclosure Requirements), 2015 ("**SEBI Listing Regulations**") and Section 134(3) of Companies Act, 2013 ("**Act**").

2. Objective

The purpose of the policy is to facilitate the following:

i. Establish a systematic, structured approach for identifying, assessing, and mitigating internal and external risks.
ii. Promote sustainable and stable growth by proactively addressing threats and capitalizing on opportunities.
iii. Ensure compliance with applicable laws and adoption of best practices to strengthen business resilience.

3. Scope and Applicability

This Policy applies to the entire organisation, this policy spans all operational, financial, strategic, compliance, cyber, and emerging risk domains. Its integration ensures thorough oversight within all business processes. All employees of the Company are required to adhere to this policy.

4. Definitions

a. **"Enterprise Risk Management (ERM)"** means the culture, capabilities and practices, integrated with strategy-setting and performance that organizations rely on to manage risk in creating, preserving and realizing value.

b. **"Directors"** shall mean Directors of the Company.

c. **"Audit Committee**" means a committee of the Board of Directors of the Company, constituted in accordance with the provisions of section 177 of the Companies Act, 2013 (hereinafter referred to as "**Act**") and SEBI (Listing obligations and Disclosures Requirements) Regulation, 2015 (hereinafter referred to as "**SEBI Listing Regulations**").

d. **"Risk"** means the effect of uncertainty on objectives and an effect is a positive or negative deviation from what is expected. Risk is measured in terms of impact, likelihood and velocity

e. “**Risk Management Committee**” or “**Committee**” means a Committee as constituted by the Board of Directors of the Company in accordance with Regulation 21 of the SEBI (Listing obligations and Disclosures Requirements) Regulation, 2015 (hereinafter referred to as “**SEBI Listing Regulations**”).

f. **"Risk Owners"** means the designated functional heads within the Company responsible for risk identification, monitoring, and mitigation within their respective departments/function.

5. Risk Identification and Measurement

Risk Owners have the primary responsibility to identify, assess and monitor risk at respective function level and shall be responsible for implementation of the risk management system as may be applicable to their areas of functioning and report to the Committee. 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. The following are the broad areas to determine the various risks, their probability and available data in the public domain:

a) Economic conditions,
b) Sustainability particularly, environment related risks,
c) Market related risks,
d) Fluctuations in foreign exchange based on the exposures,
e) Political developments and likely changes in major policies of the Government,
f) Inflation and cost structures,
g) Technological obsolescence,
h) Financial reporting risks,
i) Corporate accounting fraud,
j) Legal risks, includes compliance with local laws, rules and regulations,
k) Challenges to the quality of products,
l) Project quality, implementation and delayed commissioning,
m) Human Resources Management, local cultures and values,
n) Cyber Security risk,
o) Operational risk,
p) Sectoral risk,
q) Information related risk.

The Committee shall review and monitor various risks identified, based on their impact and significance. The Committee will also suggest the action plans to mitigate critical risks, whereas the risks that are not significant enough shall be dropped for further attention. The objective is to reduce the loss or injury arising out of various risk exposures.

6. Risk Monitoring

Risk Monitoring is designed to assess on an ongoing basis, the functioning of risk management components and the quality of performance over time. The Committee shall ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company. Risk Owners are encouraged to carry out assessments throughout the year.

The Committee to review the Risks at interval of reasonable times in a year and add any new material risk identified to the existing list considering changing industry dynamics and evolving complexity. These will be taken up with respective functional head for its mitigation.

The Committee shall also keep the Board informed about the nature and content of its discussions, recommendations and actions to be taken in relation to the Risks. The 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. Further, the Committee shall review appointment, removal and terms of remuneration of Chief Risk Officer, if any.

7. Risk Management

The Risk Management shall provide reasonable assurance in protection of business value from uncertainties and consequent losses. The Risk Owners shall design and implement risk management and internal control systems identifying material risks for the Company and taking necessary measures. The management of the Company shall implement the action plans developed to address material business risks across the Company and each of the business units. The Risk Owner shall regularly meet and evaluate the effectiveness of the action plans and the performance of employees in implementing actions plans as appropriate.

It should also ensure the compliance with the internal risk control systems and processes by the concerned employees.

8. Risk Mitigation

The Company shall record the framework and processes for effective control and mitigation of the Risks. The Audit Committee shall be responsible for the evaluation of internal financial controls and Risk Management systems. The following framework shall be used for implementation of Risk Mitigation:

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.
v. Develop systems and processes for internal control of identified risks.
vi. Business continuity plan.

9. Compliance and Control

All the Head of Departments ("**HODs**") under the guidance of the Executive Directors has the responsibility for over viewing management's processes and results in identifying, assessing and monitoring risk associated with Company's business operations and the implementation and maintenance of policies and control procedures to give adequate protection against key risk. In doing so, the HOD considers and assesses the appropriateness and effectiveness of management information and other systems of internal control, encompassing review of any external agency in this regard and action taken or proposed resulting from those reports. Setting up of proper internal control systems to analyse the probable risks and mitigating it pro-actively.

10. Business Continuity Plan

Business Continuity Plan covers readily identifiable risks, including technical problems, fires, natural disasters and other emergencies. It includes maintaining business functions or quickly resuming them in the event of a major disruption, whether caused by a fire, flood or any other act of god, which is out of reasonable control. A business continuity plan outlines procedures and instructions an organization must follow in the face of such disasters; it covers business processes, assets, human resources, business partners, etc. The Business continuity plan may be reviewed and amended by the Risk Management Committee.

11. Policy Review and Amendment

The Committee shall periodically review the Policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity. The Board shall upon recommendation of Committee amend the Policy, if necessary. In case of any conflict between this Policy and applicable laws, the provisions of law shall prevail. Further any subsequent amendment/modification in the SEBI Listing Regulations, the Companies Act and/or any other laws in this regard shall automatically apply to this Policy.

12. Disclosures

This Policy shall be published on the Company's website.

13. Effective Date

This Policy shall come into effect upon its approval by the Board and shall continue to remain in force until amended or rescinded.