



RAM RATNA WIRES LIMITED

RISK MANAGEMENT POLICY

(Approved on November 12, 2025)

INTRODUCTION

Like every business, the Company operates in an environment of uncertainty where it faces a wide range of internal and external risks. These risks have the potential to impact the achievement of the Company's strategic goals and operational performance.

Effective risk management is essential not only for minimizing threats but also for identifying opportunities and enabling more confident and informed decision-making. By embedding risk management into its culture, strategy, and operations, the Company aims to enhance resilience, safeguard its assets and reputation, and support sustainable business growth.

This Risk Management Policy outlines the Company's commitment to identifying, analyzing, assessing, managing and monitoring risks systematically and proactively. It provides a framework to ensure that risk management is an integral part of all decision-making processes across the organization.

LEGAL FRAMEWORK

This Risk Management Policy ("Policy") is formulated pursuant to Regulation 17(9) and Regulation 21 read with Schedule II Part D (C) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("Listing Regulations") and provisions of the Companies Act, 2013 ("The Act"), as amended from time to time, which requires the Company to lay down procedures about risk assessment and risk minimization.

In accordance with Section 134(3)(n) of the Act, the Board of Directors' report attached to the financial statements presented to shareholders at the general meeting shall include a statement on the development and implementation of the company's risk management policy, including the identification of risks which, in the Board's opinion, may threaten the company's continued existence.

Further, as per Section 177(4)(vii) of the Act, the Audit Committee is required to act in accordance with the terms of reference specified by the Board, which shall, inter alia, include the evaluation of the company's risk management system. Additionally, under Schedule IV, Section 149(8) of the Act (Code for Independent Directors), Independent Directors are expected to bring independent judgment to Board deliberations on strategy, performance, risk management, resources, key appointments, and standards of conduct, while ensuring that the company's internal financial controls and risk management systems are robust, reliable, and defensible.

OBJECTIVE AND PURPOSE OF THE POLICY

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 Company's business. In order to achieve the key objective, this Policy establishes a structured and disciplined approach to manage risk and to guide decisions on risk evaluating & migration related issues.

This policy lays down the framework of Risk Management at the Company.

The specific objectives of this Policy are:

- To formalise and communicate a consistent approach of managing risk for all Company's activities and operations.
- To confirm and communicate the Company's commitment of risk management to assist in achieving its strategic and operational goals and objectives.
- To assign accountability to all staff for the management of risks within their areas of control.
- To enable compliance with appropriate rules and regulations, wherever applicable, through the adoption of best practices.
- To do all such other acts / deeds as may be prescribed by the Board.

APPLICABILITY

This Policy applies to all areas of the Company's operations.

DEFINITIONS

"Board" means Board of Directors of the Company.

"Company" means Ram Ratna Wires Limited.

"Risk Management Committee" means the Committee formed by the Board pursuant to Regulation 21 read with Schedule II Part D (C) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

"Director" means Directors of the Company who are members of the Risk Management Committee.

"Independent Director" means a director referred to in Section 149(6) of the Act.

"Risk" means a probability or threat of damage, injury, liability, loss, or any other negative occurrence that may be caused by internal or external vulnerabilities; that may or may not be avoidable by pre-emptive action.

"Risk Assessment" means the overall process of identifying, assessing, analysing and mitigating risk.

"Risk Estimation" means a process of carrying out quantitative, semi-quantitative or qualitative assessment of risk in terms of the probability of occurrence and the possible consequences on the operations of the Company.

“Risk Identification” means the process of finding, recognizing and describing risks.

“Risk Management” means the process of systematically identifying, quantifying, and managing all Risks and threats that can affect achievement of a corporation’s strategic and financial goals.

“Risk Management Framework”: means a set of components that provide the foundations and organizational arrangements for designing, implementing, monitoring, reviewing and continually improving the process of Risk Management throughout the organization.

“Risk Management Plan” means a scheme or an operation plan within the Risk Management Framework specifying the approach, management components and resources to be applied for managing the risk.

“Risk Management Policy” means a statement of the overall intentions and direction of an organization to manage the identified Risk.

“Risk Register” means a tool or document used to record and track the risks identified across various operations of the company, including their assessment, potential impact, and mitigation measures. “Risk Source” means an element which alone or in combination has the intrinsic potential to give rise to risk.

“Risk Treatment” means the process of selecting and implementing measures to modify, manage, or mitigate a risk. It addresses the negative consequences of a risk and is also referred to as risk mitigation, risk elimination, risk prevention, or risk reduction. Risk treatment actions may reduce the likelihood or impact of a risk, modify existing risks, or, in some cases, give rise to new risks.

RISK GOVERNANCE

The Board shall constitute a Risk Management Committee (hereinafter referred to as “Committee”) who shall periodically (at least once in two years) review the risk management policy of the Company so that the management controls the risk through properly defined network.

The Committee shall have minimum three members with majority of them being members of the Board, including at least one independent director. The Chairperson of the Committee shall be a member of the Board and senior executives of the Company may be members of the Committee.

The Committee shall meet at least twice in a financial year in such a manner that on a continuous basis not more than one hundred and ten days shall elapse between any two consecutive meetings.

The quorum for a meeting of the Committee 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.

Role of the Committee:

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.

The role of the committee shall, inter alia, include the following:

(1) To formulate a detailed risk management policy which shall include:

(a) 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.

(7) Carrying out any other function as may be prescribed under Part D(C) of Schedule II of the Listing Regulations or provisions of the Act or entrusted by the Board from time to time.

Role of the Board:

- The Board shall define the roles and responsibilities of the Risk Management Committee and may delegate monitoring and reviewing of the risk management plan to the Committee and such other functions as it may deem fit.

- Ensure that the appropriate systems for risk management are in place.
- Have an awareness of and continually monitor the management of strategic risks.
- Be satisfied those processes and controls are in place for managing less significant risks.
- Be satisfied that an appropriate accountability framework is working whereby any delegation of risk is documented and performance can be monitored accordingly.
- Ensure risk management is integrated into Board reporting and annual reporting mechanisms.

PRINCIPLES OF RISK MANAGEMENT

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

RISK MANAGEMENT PROCEDURES

General

Risk management process includes four activities: Risk Identification, Risk Assessment, Risk Prioritization, Risk Mitigation and Risk Monitoring & Reporting.

Risk Identification

The purpose of Risk identification is to identify internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee and identify all other events that can have an adverse impact on the achievement of the business goals and objectives. All identified risks are documented in the Risk Register. Risk Register incorporates risk description, category, classification, mitigation plan, responsible function / department.

Risk Assessment

Risk 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:

A. Impact if the event occurs

B. 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.

Risk Prioritization

After the risk assessment is completed, it is the responsibility of the Risk Management Committee to prioritize the key risks to determine which risk are considered critical and need to be addressed on a priority basis.

All risks that fall in the red zone are considered high risk and require immediate attention in terms of Risk Management.

The findings of risk prioritization are presented to the Board of Directors of the Company.

Risk Mitigation

The following framework shall be used for implementation of Risk Mitigation:

All identified Risks should be mitigated using any of the following Risk mitigation plan:

- a) 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.
- b) Risk transfer: Mitigation by having another party to accept the Risk, either partial or total, typically by contract or by hedging / Insurance.
- c) Risk reduction: Employing methods / solutions that reduce the severity of the loss e.g. having adequate software in place to prevent data leak.
- d) 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.

Risk Monitoring & Reporting

The Risk Management Committee shall formulate the policies for effective identification, monitoring and mitigation of the Risks. The secretary of the Committee shall maintain and enter the details in the Risk Register and report the same to the Board of Directors of the Company.

Review of Risk Management Policy

The Risk Management Committee shall be responsible for implementation and periodic review of this policy, which shall be conducted at least once every two years, taking into

account the evolving complexity of the business environment, changing industry dynamics, and emerging risks.

In the event of any subsequent changes in the provisions of the Act or any other regulations which makes any of the provisions in the policy inconsistent with the Act, then the provisions of the act or regulations would prevail over the policy and the provisions in the policy would be modified in due course to make it consistent with law.

Further, any revisions or updates in the Policy, as recommended by the Committee, shall be placed before the Board for their approval.

BUSINESS CONTINUITY PLAN (BCP)

Business continuity Plan (BCP) is a structured and detailed strategy developed to ensure the continuity or rapid recovery of essential business operations in the face of disruptions such as natural disasters, cyberattacks, system failures, or other emergencies. The plan outlines procedures, resources, and responsibilities necessary to minimize downtime and maintain service delivery. The Committee shall be responsible for preparing and implementing the BCP as per the requirements.

COMMUNICATION OF THIS POLICY

This Policy shall be posted on the website of the Company i.e. www.rrshramik.com

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 Listing Regulations and/or any other laws in this regard shall automatically apply to this Policy and update accordingly.