



SSSMehta Industries Ltd.
SSSMEHTA INDUSTRIES LIMITED

CIN: U24109JH2021PLC017679

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RISK MANAGEMENT POLICY

1. FRAMEWORK

Risk Management is a key aspect of the “Corporate Governance Principles and Code of Conduct” which aims to improve the governance practices across the Company’s activities. Risk management policy and processes will enable the Company to proactively manage uncertainty and changes in the internal and external environment to limit negative impacts and capitalize on opportunities.

This Policy is applicable to all channels of business and, all level within the organisation. This Policy applies to the Directors, employees and all other stakeholders of the Company.

2. EFFECTIVE DATE

This Policy shall be operative with effect from 25th July, 2026, pursuant to its adoption by the Board of Directors at its meeting held on that date.

3. OBJECTIVE & PURPOSE OF 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 business. In order to achieve the key objective, the Policy establishes a structured and disciplined approach to Risk Management, in order to guide decisions on risk related issues. The specific objectives of the Risk Management Policy are:

- a) To ensure that all the current and future material risk exposures of the Company are identified, assessed, quantified, appropriately mitigated, minimized and managed i.e. to ensure adequate systems for risk management.
- b) To establish a framework for the Company’s risk management process and to ensure its implementation.
- c) To enable compliance with appropriate regulations, wherever applicable, through the adoption of best practices.
- d) To assure business growth with financial stability.

4. DISCLOSURE IN BOARD’S REPORT

Pursuant to Section 134(3)(n) of the Companies Act, 2013, the Board of Directors shall include a statement in the Board’s Report indicating the development and implementation of a Risk Management Policy for the Company, including identification of elements of risk which, in the opinion of the Board, may threaten the existence of the Company.

5. BACK GROUND AND IMPLEMENTATION

The Company is exposed to certain inherent business risks. This document formalises a Risk Management Policy, the objective of which is the identification, evaluation, monitoring and minimisation of identifiable risks.

This Policy is mandatory pursuant to Section 134(3)(n) of the Companies Act, 2013, for risk assessment and the procedure for risk minimisation.

The Board of Directors and the Audit Committee shall periodically review and evaluate the risk management system of the Company, in furtherance of the Audit Committee's function under Section 177(4)(vii) of the Companies Act, 2013 (evaluation of internal financial controls and risk management systems), so that management controls risk through a properly defined network. Heads of Departments shall be responsible for implementation of the risk management system as applicable to their respective areas of functioning and shall report to the Board and the Audit Committee.

The Company Secretary shall act as the custodian of this Policy and shall be responsible for maintaining, updating and circulating it, and for coordinating the periodic risk reporting referred to in this Policy.

6. APPLICABILITY OF RISK MANAGEMENT COMMITTEE (RMC)

There is no mandatory requirement to constitute a Risk Management Committee under the Companies Act, 2013. The Act only requires, under Section 134(3)(n), that the Board's Report contain a statement on the development and implementation of a Risk Management Policy. The Audit Committee (Section 177) is required to evaluate risk management systems, and Independent Directors, in terms of the Code for Independent Directors under Schedule IV to the Companies Act, 2013, must satisfy themselves that the systems are robust and defensible.

As per Regulation 15(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the corporate governance provisions specified in Regulations 17 to 27 (which include Regulation 21 – Risk Management Committee) do not apply to a listed entity which has listed its specified securities on the SME Exchange.

Since constitution of a separate Risk Management Committee is not applicable to the Company, the Board of Directors shall oversee and discharge all responsibilities relating to risk management, including identification, assessment, monitoring and mitigation of risks.

7. APPLICATION

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

8. ROLE OF THE BOARD

Without limiting the generality of the risks the Company may be exposed to, the Board shall, at a minimum, assess and monitor risk under the following broad categories:

- a) Strategic Risk – risks arising from business strategy, competitive positioning, industry dynamics and major corporate actions.
- b) Operational Risk – risks relating to manufacturing, supply chain, key personnel, IT systems and day-to-day business processes.
- c) Financial Risk – risks relating to liquidity, credit, foreign exchange, interest rate and capital structure.
- d) Compliance & Regulatory Risk – risks of non-compliance with the Companies Act, 2013, SEBI Regulations, tax laws and other applicable statutes.
- e) Reputational Risk – risks arising from adverse publicity, stakeholder perception or conduct of related parties.

- f) Cyber & Information Security Risk – risks relating to data security, business continuity and IT infrastructure.

Heads of Departments shall maintain a risk register for their respective functions, capturing the risk, its likelihood and impact assessment, mitigation measures and the risk owner, and shall report material changes therein to the Board/Audit Committee at least annually or earlier if warranted.

9. ESCALATION

Any risk assessed by a Head of Department as having a material adverse impact on the Company's operations, financial position or reputation shall be escalated immediately to the Audit Committee and the Board, rather than awaiting the next periodic review cycle referred to in Clause 5.

10. REVIEW

This Policy shall be reviewed by the Board of Directors at a minimum once every year, or earlier if warranted by a material change in the Company's risk profile or in applicable legislation, to ensure it continues to meet the requirements of law and the needs of the organisation.