



JAY JAGDAMBA LIMITED

RISK MANAGEMENT POLICY

Under Regulation 17(9)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

CIN: U27100MH2004PLC447688

Registered Office: Office No. 0405, The Landmark, Plot No. 26A, Sector 07, Kharghar, Navi Mumbai, Panvel, Raigarh - 410210, Maharashtra, India.

RISK MANAGEMENT POLICY

1. INTRODUCTION

The Companies Act, 2013 emphasizes the requirement of Risk Management Policy for the Company. Section 134(3)(n) of the Companies Act, 2013 requires that the report by the Board of Directors laid at the general meeting shall include a statement on the development and implementation of a risk management policy for the company including identification therein of elements of risk, if any, which in the opinion of the Board may threaten the existence of the Company shall be included in the Board's Report.

The Audit Committee is required to evaluate the internal financial controls and risk management systems of the Company and the Independent Directors shall satisfy themselves that the systems of risk management are robust and defensible. Section 177(4)(vii) of the Companies Act, 2013 provides that Audit Committee shall evaluate the internal financial controls and risk management systems of the company.

Regulation 17(9)(a) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**"), inter alia, mandates laying down the procedures for risk assessment and minimization. Further Regulation 17(9)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, provides that the Board of Directors shall be responsible for framing, implementing and monitoring the risk management plan for the company.

Regulations 21(4) of Listing Regulations further provides that the board of directors shall define the role and responsibility 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. Such function shall specifically cover cyber security. It further states that role and responsibilities of the Risk Management Committee shall mandatorily include the performance of functions specified in Part D of Schedule II. (**Annexure 1**)

The Board of Directors ("**the Board**") of Jay Jagdamba Limited ("**the Company**") has adopted the following policy and the Board may amend this policy from time to time. In case of any subsequent amendments to the Regulations which makes any of the provisions in the Policy inconsistent, the provisions of the Regulations shall prevail.

2. OBJECTIVE OF POLICY

The objective of this policy includes the following:

- Develop a risk culture that encourages all employees to identify risks, associated opportunities/gains and respond to them with effective actions.
- Develop both proactive and reactive mechanism for risk management.
- Identify and manage existing/new risks in a planned and coordinated manner by Risk Register and Risk Control Matrix
- Develop an incident response management framework to manage the risks that may materialize.

3. DEFINITIONS

"**Company**" means Jay Jagdamba Limited.

"**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 Management**" is the process of systematically identifying, quantifying, and managing all risks and opportunities that can affect achievement of a corporation's strategic and financial goals.

“**Senior Management**” means officers/personnel of the Company who are members of its core management team comprising all members of management one level below the Chief Executive Director or Managing Director or Whole Time Director or Manager, including the functional heads and shall specifically include company secretary and Chief Financial officer.

“**Risk Management Committee**” means the Committee formed by the Board as under Regulation 21 of the Listing Regulations.

Words and expressions used and not defined in this Policy shall have the meaning ascribed to them in the SEBI Listing Regulations, the Securities and Exchange Board of India Act, 1992, as amended, the Securities Contracts (Regulation) Act, 1956, as amended, the Depositories Act, 1996, as amended, or the Companies Act, 2013 and rules and regulations made thereunder.

4. RISK APPETITE

A critical element of the Company’s risk management framework is the risk appetite, which is defined as the extent of willingness to take risks in pursuit of business objectives.

The key determinants of risk appetite are as follows:

- i.* Shareholder and investor preferences and expectations;
- ii.* Expected business performance (return on capital);
- iii.* The capital needed to support risk taking;
- iv.* The culture of the organization;
- v.* Management experience along with risk and control management skills;
- vi.* Longer term strategic priorities.

Risk appetite is communicated through the Company’s strategic plans. The Board and management monitor the risk appetite of the Company relative to the Company’s actual results to ensure an appropriate level of risk tolerance throughout the Company.

5. RISK MANAGEMENT FRAMEWORK

Company believes that risk should be managed and monitored on a continuous basis. As a result, the Company has designed a dynamic risk management framework to allow to manage risks effectively and efficiently, enabling both short term and long term strategic and business objectives to be met.

The Company’s approach to risk management is summarized as below –

a) Identification of risks

To ensure key risks are identified, the Company:

- defines the risks in context of the Company’s strategy; documents risk profiles, including a description of the material risks; and regularly reviews and updates the risk profiles.

The Company’s risk profile is summarized below.

b) Assessment of risks

The risk assessment methodology shall include:

- collection of information;
- identification of major risks;
- rating of each risk on the basis of: consequence, exposure, probability;
- prioritization of risks;
- function-wise exercise on risk identification, risk rating, control;
- function-wise setting the level of responsibility and accountability.

c) Measurement and control

Identified risks are then analysed and the manner in which the risks are to be managed and controlled are then determined and agreed. The generally accepted options are;

- accepting the risk (where it is assessed the risk is acceptable and where avoiding the risk presents a greater risk through lost opportunity);
- managing the risk (through controls and procedures);
- avoiding the risk (through stopping the activity);
- transferring the risk (through outsourcing arrangements);
- financing the risk (through insurance arrangements).

d) Continuous assessment

The Company's risk management framework requires continuing cycle of implementing, monitoring, reviewing and managing the risk management processes.

6. **RISK PROFILE**

The identification and effective management of risks is critical in achieving strategic and business objectives of the Company. The Company's activities give rise to a broad range of risks which are considered under the following key categories of risk:

6.1 Strategic Risks

- Lack of responsiveness to the changing economic or market conditions that impact the Company's operations.
- Ineffective or poor strategy developed.
- Ineffective execution of strategy.

6.2 Financial Risks

- Financial performance does not meet expectations.
- Capital is not effectively utilized or managed.
- Cash flow is inadequate to meet financial obligations.
- Financial results are incorrectly accounted for or disclosed; and
- Credit, market and/or tax risk is not understood or managed effectively.

6.3 Operational Risks

- Difficulties in commissioning and operating a particular business.
- Unexpected increase in the costs of the components required to run a business.
- Adverse market conditions.
- Failure to meet the expenditure commitments on prospecting/marketing particular business.
- Inadequate or failed internal processes, people and systems for running a particular business.

6.4 Investment Risks

- Failure to provide expected returns for defined objectives and risk such as underperforming to the stated objectives and/or benchmarks.

6.5 People's Risk

- Inability to attract and retain quality people.
- Inadequate succession planning.
- Inappropriate work culture and ethics.
- Inefficient whistle blower mechanism.
- Ineffective policy for woman safety at workplace.

6.6 Legal and Regulatory Risks

- Legal / commercial rights and obligations are not clearly defined or misunderstood.
- Commercial interests not adequately protected by legal agreements.

6.7 Compliance Risks

Non-conformance with or inability to comply with rules, regulations, prescribed practices, internal policies and procedures or ethical standards.

6.8 Cybersecurity Risk

With the rising needs of digitalization and modern technology, there is an additional threat to key information of the Company stored on various applications, be it on external cloud storage, or other networks and devices and devices from cyberattacks which could be in the form of theft, breach of security virus or such other vulnerabilities an

7. RISK MANAGEMENT COMMITTEE

The Risk Management Committee shall be responsible for framing, implementing and monitoring the risk management policy for the company. The Audit Committee should ensure that adequate risk management systems exist. The Risk Management Committee will be responsible for review and action plan to mitigate these Internal, External and the Strategic/Disruptive risks periodically and report to the Board of Directors accordingly.

The Risk Management Committee will discuss calculated risks required to be taken to augment strategic initiatives in a bid to achieve the long term goals of the company. In a typical instance, approach to setting and executing strategy might look at augmenting sales growth, exploring uncharted domestic / international markets, tapping organic / inorganic growth opportunities, elevating brand value or adopting evolving technological platforms for better service delivery.

Compliance of this Policy shall be the responsibility of the officer designated by the Board as Risk Officer or any other Key Managerial Personnel who have been Chief Financial Officer of the Company who shall have the power to ask for any information or clarifications from the management in this regard.

The Audit Committee shall review of risk management systems on an annual basis.

The Risk Management committee shall comprise of:

- **Members:** Minimum three (3) members with majority of them being members of the Board of Directors, including at least one (1) independent director.
- **Chairperson:** Shall be a member of Board and senior executives of the Company.
- **Meeting:** The Committee shall meet at least twice in a year on a continuous basis not more than two hundred and ten days shall elapse between any two consecutive meetings.
- **Quorum:** Shall be either 2 members or 1/3rd of the members of the Committee whichever is higher, including at least 1 member of the Board to be present.

8. ROLES AND RESPONSIBILITIES

The Risk Management Committee shall be responsible for framing, implementing and monitoring the risk management policy for the company. The Audit Committee shall review risk management systems on an annual basis and ensure that adequate risk management systems are in place.

9. REVIEW OF THIS POLICY

This Policy shall be reviewed by the Risk Management Committee periodically, at least once in two years, including by considering the changing industry dynamics and evolving complexity.

10. BUSINESS CONTINUITY PLAN

Business continuity plan refers to maintaining business functions or quickly resuming them in the event of a major disruption, in other words, a disaster management plan. The Company shall formulate a business continuity plan as may be required for protecting the interest of the Company in the event of happening/ occurrence of any unforeseen events that may affect the business of the Company.

Such business continuity plan may vary from time to time depending on Company's need and the risk management strategy being adopted by the company at such time. The business continuity plan may, among other things, focus on protecting the assets and personnel of the Company in the event of a disaster event which affects day to day operations of the company's business. The business continuity plan may be reviewed and amended by the RMC from time to time, as the committee may deem fit.

Effective Date: 17th June 2025

ANNEXURE 1
Role of Risk Management Committee
(PART D: ROLE OF COMMITTEES (OTHER THAN AUDIT COMMITTEE) 353 (See Regulations
19(4), 20(4) and 21(4))

The role of the committee shall, inter alia, include the 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.
 - Measures for risk mitigation including systems and processes for internal control of identified risks.
 - 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.