

RISK MANAGEMENT POLICY

Contents

1. INTRODUCTION	3
2. OBJECTIVE OF THE POLICY	3
3. DEFINITIONS	3
4. RISK APPETITE	4
5. RISK MANAGEMENT FRAMEWORK.....	4
6. RISK PROFILE	5
7. GOVERNANCE STRUCTURE.....	6
8. PUBLICATION OF POLICY	8
9. EFFECTIVE DATE.....	8
10. REVIEW	8

RISK MANAGEMENT POLICY

1. INTRODUCTION

- 1.1 Risk Management is a key aspect of the “Corporate Governance Principles and Code of Conduct” which aims to improvise the governance practices across the activities of Syrma SGS Technology Limited (the “**Company**”). 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.

2. OBJECTIVE OF THE POLICY

- 2.1 The Company is prone to inherent business risks. 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.
- 2.2 This document is intended to formalize a risk management policy, the objective of which shall be identification, evaluation, monitoring and minimization of identifiable risks (“**Policy**”).
- 2.3 This Policy is in line with Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulation, 2015) which requires the Company to lay down procedures for risk assessment and risk minimization.

3. DEFINITIONS

- 3.1 “**Audit Committee**” means the Audit Committee constituted by the Board of Directors of the Company under Section 177 of the Companies Act, 2013 and the provisions of Listing Regulations, 2015, from time to time.
- 3.2 “**Board**” means Board of Directors of Syrma SGS Technology Limited
- 3.3 “**Company**” means Syrma SGS Technology Limited.
- 3.4 “**Risk**” is defined as the chance of a future event or situation happening that will have an impact upon company’s objective favourably or unfavourably. It is measured in terms of consequence and likelihood.
- 3.5 “**Risk Management**” encompasses risk assessment plus the evaluation of risks against

established tolerances, their treatment and monitoring.

4. RISK APPETITE

- 4.1 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 the business objectives.
- 4.2 The key determinants of risk appetite are as follows:
- A. Shareholder and investor preferences and expectations;
 - B. Expected business performance (return on capital);
 - C. The capital needed to support risk taking;
 - D. The culture of the organization;
 - E. Management experience along with risk and control management skills; and
 - F. Longer term strategic priorities.
- 4.3 Risk appetite is communicated through the Company's strategic plans. The Board and the management of the Company monitors 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

- 5.1 The 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.
- 5.2 The Company's approach to risk management is summarized as below:
- A. Identification of risks**
- To ensure key risks are identified, the Company should:
- 1. define the risks in context of the Company's strategy;
 - 2. documents risk profiles, including a description of the material risks; and
 - 3. regularly reviews and updates the risk profiles.
- B. Assessment of risks**
- The Risk assessment methodology shall include:
- 1. collection of information;
 - 2. identification of major risks;
 - 3. rating of each risk on the basis of: consequence, exposure, probability;
 - 4. prioritization of risks;
 - 5. function-wise exercise on risk identification, risk rating, control; and
 - 6. function-wise setting the level of responsibility and accountability.

C. Measurement and control

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

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

D. Continuous assessment

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

6. RISK PROFILE

- 6.1 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:

A. Strategic Risks

1. Lack of responsiveness to the changing economic or market conditions, including commodity prices and exchange rates, that impact the Company's operations;
2. Ineffective or poor strategy developed; and
3. Ineffective execution of strategy.

B. Financial Risks

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

C. Operational Risks

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

business.

D. Investment Risks

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

E. People's Risk

1. Inability to attract and retain quality people;
2. Inadequate succession planning;
3. Inappropriate work culture and ethics;
4. Inefficient whistle blower mechanism; and
5. Inappropriate policy for woman safety at work place.

F. Legal and Regulatory Risks

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

G. Compliance Risks

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

H. Sustainability (ESG) Risks

1. Risk of reputational damage and financial losses due to Environmental issues / impact such as pollution, resource depletion and climate change.
2. Risk of social impacts company's relationships with its employees, customers, and the communities in which it operates, including labour practices and human rights issues.
3. Inadequate internal governance structures and practices, including management, and ethical standards, as well as regulation compliance.

I. Information /Cyber Security Risks

1. In adequate safeguard and physical controls for IT assets. Deployment of un-authorized hardware and software.
2. Non-deployment of latest technologies and updates for IT infrastructure and operational tools.
3. Inadequate cyber security policies, user access policies and non-compliance with these policies.
4. Lack of vulnerability tests, data/personal leakage protection drills /trainings.

7. GOVERNANCE STRUCTURE

The Company's Risk Management framework is supported by the Board of Directors, the Risk Management Committee, and the management of the Company.

A. Board of Directors

1. The Board will undertake the following actions to ensure risk is managed appropriately:
2. The Board shall be responsible for framing, implementing and monitoring the risk management plan for the company;
3. Ensure that the appropriate systems for risk management are in place;
4. Participate in major decisions affecting the organization's risk profile;
5. Have an awareness of and continually monitor the management of strategic risks, financial risks, operational risks, investment risks, people's risk, legal and regulatory risks & compliance risks;
6. Be satisfied that processes and controls are in place for managing less significant risks;
7. Be satisfied that an appropriate accountability framework is working whereby any delegation of risk is documented and performance can be monitored accordingly; and
8. Ensure risk management is integrated into board reporting and annual reporting mechanisms.

B. Risk Management Committee

1. 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. Ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
3. Monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
4. Periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
5. 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. Seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.

C. Management

1. The management of the Company is responsible for monitoring and whether appropriate processes and controls are in place to effectively and efficiently manage risk, so that the strategic and business objectives of the Company can be met;
2. To assist the Risk Management Committee / Board in discharging its responsibility in relation to risk management;

3. When considering the Audit Committee's review of financial reports, the Board receives a written statement, signed by the Executive Chairman and the Chief Financial Officer (or equivalents), that the Company's financial reports give a true and fair view, in all material respects, of the Company's financial position and comply in all material respects with relevant accounting standards. This statement also confirms that the Company's financial reports are founded on a sound system of risk management and internal control and that the system is operating effectively in relation to financial reporting risks;
4. Reporting to the Risk Management Committee/ Board of Directors consolidated risks and mitigation strategies on a half yearly basis.

8. PUBLICATION OF POLICY

The key features of the Policy will be published in the annual report of the Company.

9. EFFECTIVE DATE

This Policy is effective from November 20, 2021.

Amended: (The Board of Directors of the company at its meeting held on August 01, 2023, had discussed, and amended the policy. The policy had been amended to bring it in line with the amendments to Listing Regulations with effect from July 14, 2023.)

(The Board of Directors of the company at its meeting held on January 28, 2025, had discussed, and further amended the policy to bring it in line with the amendments made in the Listing Regulations)

10. REVIEW

The Board, however, may review this policy as and when it deems appropriate. This policy is being formulated keeping in mind the applicable laws, rules, regulations and standards in India. If there is an amendment in such laws, rules, regulations and standards, then this Policy shall be deemed to have been amended to the extent of such amendment. Also, if due to subsequent amendment in the laws, this Policy or any part hereof becomes inconsistent with the law, the provisions of law shall prevail and this Policy shall be deemed to be amended to that extent.