

S R INDUSTRIES LIMITED

Risk Management Policy

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Preamble:

In accordance with the provisions of Section 134(3)(n) of the Companies Act, 2013 and Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, S R Industries Limited (the "Company") recognizes the importance of risk management in achieving its strategic objectives.

The Company acknowledges that risk management is an integral part of good governance and is essential for protecting the interests of its stakeholders. This Risk Management Policy (the "Policy") outlines the Company's approach to risk management, including the identification, assessment, mitigation, and monitoring of risks that may impact the Company's objectives.

The Policy aims to provide a framework for risk management that is aligned with the Company's overall strategy and objectives, and to ensure that the necessary policies, procedures, and controls are in place to manage risks effectively.

This Policy is intended to promote a culture of risk awareness and proactive risk management within the Company, and to ensure that risks are managed in a manner that is consistent with the Company's values and objectives."

Objective:

The Company has established a comprehensive risk management framework to identify, assess, and manage material business and financial risks. The framework consists of:

- a. Goal Setting and Strategy Implementation: Establishing and monitoring company goals, objectives, and strategies to achieve them.
- b. Risk Identification and Assessment: Continuously identifying and assessing risks that may impact goal achievement, and monitoring the environment for emerging factors and trends.
- c. Risk Management Strategies: Formulating strategies to manage identified risks, and designing and implementing risk management policies and internal controls.
- d. Monitoring the performance of and continuously improving the effectiveness of, risk management systems and internal compliance and controls, including an annual assessment of the effectiveness of risk management and internal compliance and control and are view and assessment through the annual planning and budgeting process of key strategic, financial and operating risks and risk management strategies.

Responsibilities relating to risk management:

To ensure effective risk management, the Company has assigned clear responsibilities to its Board of Directors, Audit Committee, and management.

Board of Directors

The Board is ultimately responsible for overseeing and approving the Company's risk management strategy, policies, internal compliance, and internal control. The Board's responsibilities include:

- a. Approving the risk management strategy and policies
- b. Receiving annual reports on the effectiveness of material business risk management
- c. Reviewing the effectiveness of the risk management system
- d. Delegating responsibilities to the Audit Committee as necessary

Audit Committee

The Audit Committee plays a crucial role in overseeing and monitoring the financial risk management process. The Committee's responsibilities include:

- a. Overseeing and monitoring financial risk management, including fraud prevention and legal compliance
- b. Reviewing with management the effectiveness of material business risk management at least annually
- c. Making recommendations to the Board on the adequacy of the process for managing material business risks

Chief Financial Officer (CFO) and Management

The CFO and management are responsible for developing, implementing, and assessing the effectiveness of the process to manage material business risk. Their responsibilities include:

- a. Identifying, monitoring, and reporting to the Board on business and financial risks to achieving the Company's strategic, operational, and financial objectives
- b. Reporting to the Board on major changes in the risk environment
- c. Assessing risk management and associated internal compliance and control procedures. Reporting annually to the Audit Committee and Board on the effectiveness of the Company's management of material business risks

By clearly defining these responsibilities, the Company ensures that risk management is a collaborative effort, with each party playing a critical role in identifying, assessing, and managing risks.

Strategic and operational business risks:

The Chief Finance Officer (CFO) or equivalent and senior executives are responsible for identifying and managing strategic and operational business risks that may impact the Company's long-term viability, ongoing operations, and achievement of its objectives. These risks include:

a. Risks to Long-Term Viability:

* Market risks, including changes in market trends, customer preferences, and competitor activity

- * Competitor risks, including the emergence of new competitors, changes in competitor strategies, and competitor innovation
- * Technology risks, including the impact of technological advancements, cyber threats, and data breaches
- * Regulatory risks, including changes in laws, regulations, and standards that may impact the Company's operations

b. Risks to Ongoing Operations and Service Delivery:

- * Risks to facilities, including damage, disruption, or loss of critical infrastructure
- * IT infrastructure continuity and security risks, including cyber threats, data breaches, and system downtime
- * Intellectual Property risks, including the protection of patents, trademarks, copyrights, and trade secrets
- * Legislative compliance risks, including non-compliance with laws, regulations, and standards that may impact the Company's operations
- * Occupational Health and Safety risks, including the health and safety of employees, contractors, and customers

c. Major Strategic and Operational Risks:

- * Identified, reported to, and discussed with the Board during the strategic and annual business planning and budget process
- * Monitored and reported to the Board regularly during the year, with updated information provided at each Board meeting as necessary

The CFO or equivalent and senior executives will provide the Board with regular updates on strategic and operational business risks, including any changes to the risk profile, and recommendations for mitigating or managing these risks.

Financial and legal Risks:

The Chief Financial Officer (CFO) or equivalent plays a crucial role in identifying and managing financial and legal risks that may impact the Company's financial performance, reputation, and compliance with regulatory requirements.

Responsibilities of the CFO or Equivalent

The CFO or equivalent is responsible to the Audit Committee and the Board for:

- a. Financial Risk Management: Identifying and managing financial risks, including internal financial control processes, to ensure the accuracy of financial records and financial reports, prevent fraud and error, and monitor exchange rate hedging programs.
- b. Contractual Liabilities and Insurances: Identifying and managing risks associated with contractual liabilities, insurances, and compliance with legislation, in collaboration with senior executives and the Company Secretary.
- c. Reporting to the Audit Committee: Providing annual reports to the Audit Committee on the effectiveness of the risk management process in achieving the objectives of:
 - Effectiveness and efficiency in the use of the Company's resources.
 - Compliance with applicable laws and regulations.
 - Reliability of published financial information.

d. Assurance to the Board: Providing assurance to the Board that all reasonable steps have been taken to ensure that the Company's financial reports are founded on a sound system of risk management and internal compliance and control.

Detailed Policies and Procedures

The Company has established detailed policies and procedures in key areas of risk and operations, including:

- a. IT and facilities security
- b. Occupational Health and Safety
- c. Protection of Intellectual Property
- d. Financial reporting and internal controls
- e. Compliance with laws and regulations

This policy and procedures are designed to ensure that the Company operates in a responsible and ethical manner, and that risks are identified, assessed, and managed effectively.
