RISK MANAGEMENT POLICY

(Approved by Board on February 06, 2024, effective from FY 2023-24 and amended on November 06, 2026, which is effective from November 06, 2026)

1. INTRODUCTION:

Every Company is prone to inherent business risks – internal, external and extreme risks. As part of the Company's Corporate Governance Policy, TTK Prestige Limited (the Company), since 2009-10 has been disclosing in the Directors Report about Risk Management practices of the Company. Pursuant to the requirements of SEBI (LODR) Regulations and Companies Act 2013, the Company constituted a Risk Management Committee during 2018. Based on the recommendations of this Committee the Board had put in place a policy and framework for risk management appropriate to the nature and size of the company's business covering risks relating to strategy, operations, statutory compliances, financial including reporting, business continuity, sustainability, etc.

The Board may review and amend this policy from time to time.

2. DEFINITIONS:

a. "**Listing Regulations**" means SEBI (Listing Obligations and Disclosure Requirements) Regulations,2015

b. **"Audit Committee"** means Committee of Board of Directors of the Company constituted under the provisions of the CompaniesAct,2013 and the Listing Regulations.

c. **"Board of Directors" or "Board"** in relation to a Company, means the collective body of Directors of the Company. [Section 2(10) of the Companies Act,2013]

d. **"Policy"** means Risk Management Policy.

3. REGULATORY FRAMEWORK/REQUIREMENT:

This Policy is framed in line with the following regulatory requirements:

i. Regulations 17 and 21 of the Listing Regulations

ii. Provisions of the Section 134(3), 177(4), Schedule 4 (S 149(8)) and other applicable provisions of the Companies Act, 2013, and the rules made thereunder.

4. OBJECTIVES:

This document is intended to formalize a Policy, the objective of which shall be identification, evaluation, quantifying, monitoring and mitigation/ minimization of identifiable material risks.

The specific objectives of the Policy are to provide a framework:

- ❖ To ensure sustainable business growth with stability in accordance with the business plans approved by the Board.
- ❖ To ensure that all the current and future material risk exposures of the Company are proactively identified, assessed, quantified, appropriately mitigated, minimized and managed i.e., to ensure adequate systems for risk management.
- ❖ To establish a framework for the Company's risk management process and to ensure its implementation.
- ❖ To enable compliance with appropriate regulations, wherever applicable, through the adoption of best practices.

In order to achieve the above objectives, this Policy establishes a structured and disciplined approach to Risk Management to guide decisions on material risk related issues. Risk management is a decision-enabler which not only seeks to minimize the impact of risks but also enables effective resource allocation based on the risk impact ranking and risk appetite. Strategic decisions are taken after careful consideration of risks and opportunities.

5. SCOPE & APPLICABILITY:

This Risk Management Policy is applicable to all divisions and geographical locations of the Company. Some aspects of the policy may be extended to the subsidiaries of the Company as may be required based on the size and nature of business of the subsidiary and as decided by the Boards of the Company and its subsidiaries.

6. RISK MANAGEMENT FRAMEWORK :

The core elements of the Risk Management Framework are as follows:

- Company's vision, business objectives and plans
- Identification and mapping of Risks – internal, external and extreme risks that can have impact on the vision, objectives , plans and business continuity of the Company.
- Broad Categorization of Risks for the Company as a whole as well as its various units /segments under the following heads
  - Strategic
  - Operational
  - Sectoral
  - Legal & Compliance
  - Financial including Financial Reporting
  - Sustainability including Environment, Society and Governance
  - Business Continuity
  - Cyber security Risks
- Risk Organization and Governance including communication processes both at vertical and horizontal levels.
- Assessment of Risks based on probability and impact on reputation, growth and profitability of the Company and laying down principles for risk appetite, risk avoidance, and risk acceptance.
- Developing plans/process for risk mitigation/minimization and management of risk in the event of occurrence

- Developing Risk Ownership/Responsibility /Execution Matrix at various functions/levels of organization
- Monitoring and reporting status on key risks as well as risk occurrence, if any, to various levels organization up to Board Level at such frequencies as considered desirable for effective risk management. Putting in place formal recording and audit processes, both internal and external, for the purposes of monitoring, reporting and to make continuous improvements.
- Appropriate disclosures to stake holders/authorities in line with the regulatory requirements.

7. RISK GOVERNANCE :

Risk governance signifies the manner in which the business and affairs of an entity are directed and managed by its Board of Directors, Audit & Risk Management Committees of the Board and the Executive Management. An Organization's ability to carry out an effective risk management process is dependent upon having an appropriate risk governance structure and well-defined roles and responsibilities. In order to smoothen out any overlap and proper coordination on the roles of the Board and various committees of the Board in the matter of Risk Management, this Policy lays down the roles as provided hereinafter.

The Policy identifies the following layers of Risk Governance.

a. Board and Independent Directors

b. Audit Committee

c. Risk-management Committee

d. Sub-committees of Risk Management Committee at operational levels.

8. ROLES AND RESPONSIBILITIES :

The Board shall be responsible for framing, implementing and monitoring the Material Risk Management Plan / Policy of the Company with the assistance of the Risk Management Committee. The Board of Directors may issue guidelines on the role and responsibility of the Risk Management Committee and also delegate monitoring and reviewing of the Risk Management Plan to the Committee and such other functions as it may deem fit . The Board of Directors of the Company and the Audit Committee shall periodically (i.e.) at least twice in a Financial Year, review and evaluate the Risk Management System of the Company so that the Management controls the risks through properly defined network.

The success of any Risk Management Policy depends on efficient execution of the intent at various levels of operations. Hence Sub-Committees known as the **Risk Management Groups (RMG)** shall be constituted consisting of the Business / Functional Heads and other Senior Executives, as may be required, who would analyse the various risks and mitigation measures and keep the Risk Management Committee duly informed for review and guidance. The Business / Functional Heads shall be responsible for implementation of the Risk Management System, as may be applicable to their respective areas of functioning and report to respective RMG. The RMGs in turn shall report to the Risk Management Committee.

In spirit, every employee of the Organization is responsible for the effective management of risk associated with his role including the identification of potential risks. Therefore, the heads of functions are required to follow an effective communication process. The Management is responsible for the development of Risk Mitigation Plans and the implementation of Risk Reduction Strategies. The Risk Management Processes should be integrated with other planning processes and management activities.

Board	The Company's risk management architecture is overseen by the Board of Directors and policies to manage risks are approved by the Board. • Ensure that the organization has proper Risk Management Framework. • Define the risk strategy and risk appetite for the Company. • Approve various Risk Management Policies including the Code of Conduct and Ethics. • **The Independent Directors** shall help in bringing an independent judgment to bear on the Board's deliberations on issues of material risk management and satisfy themselves that the systems of risk management are robust and defensible. • Ensure that Senior Management takes necessary steps to identify, measure, monitor and control these risks. • Ensure coordination between various sub-committees for overall effective risk management
Audit Committee	The Audit Committee assists the Board in carrying out its oversight responsibilities relating to the Company's- (a) financial reporting process and disclosure of financial information in financial statements and other reporting practices;
	(b) internal financial control: including setting policies on internal financial control based on the organisation's risk profile, its ability to manage the risks identified and the cost/ benefit of related controls. Also Seeking regular assurance that the system of internal financial control is effective in managing risks relating to reporting, prevention of fraud/misappropriation etc. Also Ensure that senior management monitors the effectiveness of Internal financial Control System on a continuous basis. (c) compliance with laws, regulations, and ethics (d) financial risk management policies. (e) Help the Risk Management Committee in identifying risk, assessing the risk, policies / guidance notes to respond to risks and thereafter frame policies for control and monitoring.

Risk Management Committee	The role of the Committee is to assist the Board in the matter of Risk Management and shall, *inter alia,* include the following: (1) To formulate a detailed risk management policy which shall include: (a) A framework for identification of internal external and extreme risks specifically faced by the Company, in particular including Strategic, Financial, Operational, Compliances, Sectoral, Extreme risks, Sustainability [particularly, Environmental, Social and Governance (ESG) related risks], Business Continuity , 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. (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 reporting systems. (4) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving business complexity. (5) To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken. (6) Reviewing and approving risk disclosure statements in any public documents or disclosures (7) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee. (8) Coordination with other committees to balance overlap in roles and duplication of supervision. For e.g. Risks relating to financial reporting/ internal finance controls/ ethics/ statutory compliances come under the purview of Audit Committee; Succession management comes under the purview of Nomination Committee and Stakeholder interests come under the purview of Stakeholder relationship committee. RMC can refer issues that it comes across relating to other committees to the respective committee and vice-versa. Risks relating to strategy, operations, extreme events, business continuity, sustainability and digital security form the core areas of RMC.

Sub-Committees/ Risk Management Group	The Risk Management Group would implement and co-ordinate the risk function as outlined in this policy on an ongoing basis. It would act as the Resource Division for administration of the Risk Management Framework. • Developing and communicating organizational policy and information about the risk management programme to all staff, and where appropriate to our associates / suppliers / contractors etc. • Implement the risk management framework, procedures and systems. • Work with risk owners to ensure that the risk management processes are implemented in accordance with agreed risk management policy and strategy. • Formalise a process of monitoring and reporting of key risks from across the business locations • Periodically review risks and risk ratings of each department.

9. CONSTITUTION, POWERS AND MEETINGS OF THE RISK MANAGEMENT COMMITTEE :

a. Composition

The Committee shall consist of minimum three members with majority of them being members of the Board of Directors, including at least one Independent Director. To ensure proper representation, the Committee can include key members of senior management/ functional heads as its members. However, the majority of the committee will consist of Directors on the Board of the Company.

b. Meetings and Quorum

The risk management committee shall meet at least twice in a Financial Year and the maximum gap between two consecutive meetings shall not exceed 210 days.

The quorum for a meeting of the Committee shall be either two members or one third of the total number of members of the committee, whichever is higher, including at least one member of the Board of Directors in attendance.

c. Authority

RMC shall have free access to management and management information. The Committee at its sole authority, may seek the advice of outside experts or consultants where necessary. RMC shall have powers to seek information from any employee, obtain outside legal or other professional advice, and secure attendance of outsiders with relevant expertise, if required.

d. Role

The role and functions of RMC are as provided under clause 8 above

10. DISCLOSURE IN BOARD'S REPORT

The Board of Directors shall include a statement indicating development and implementation of a Risk Management Policy for the Company including identification therein of elements of material risks, if any, which in the opinion of the Board may threaten the existence of the Company. The board report shall also include a brief mention of business sustainability risks and measures taken

11. POLICY REVIEW

This Policy shall be reviewed at least once in two years or as needed to ensure its continued applicability and relevance to our operations and evolving complexities.

12. EFFECTIVE DATE

This Policy was initially approved by the Board of Directors on February 06, 2024 effective from FY 2023-24 and has been amended by the Board of Directors on November 06, 2026 which is effective from November 06, 2026.

13. AMENDMENT

Any change in the Policy shall be approved by the Board of Directors or any of its Committees (as may be authorized by the Board of Directors in this regard). The Board of Directors or any of its authorized Committees 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 or its Committee in this respect shall be final and binding. Any subsequent amendment / modification in the Listing Regulations and / or any other laws in this regard shall automatically apply to this Policy.