POWERICA LIMITED

RISK MANAGEMENT POLICY

Policy adopted on at Board of Directors meeting held on June 21, 2025

POWERICA LIMITED

RISK MANAGEMENT POLICY

1. Foreword

1.1. Objective

The main objective of this Risk Management Policy ("**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, including the development of the Risk Register, in order to guide decisions on risk evaluating & mitigation related issues. The Policy is in compliance with the requirements of Section 134 of the Companies Act, 2013 (the **"Act"**) and Regulation 17(9) and Regulation 21 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (**"SEBI Listing Regulation"**) as amended which requires the Company to lay down procedures about framing, implementing, risk assessment, risk minimization and monitoring the risk management plan.

1.2. Applicability

This Policy applies to every part of **Powerica Limited** (the "**Company**") business and functions.

2. Definitions

2.1. "**Company**" means **Powerica Limited.**

2.2. "**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.

2.3. "**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.

2.4. "**Risk Management Committee**" means the Committee formed by the Board.

2.5. "**Risk Assessment**" means the overall process of risk analysis and evaluation.

2.6. "**Risk Register**" means a tool for recording the Risks identified under various operations.

3. Risk Management

Principles of Risk Management

3.1. The Risk Management shall provide reasonable assurance in protection of business value from uncertainties and consequent losses.

3.2. All concerned process owners of the company shall be responsible for identifying & mitigating key Risks in their respective domain.

3.3. The occurrence of Risk, progress of mitigation plan and its status will be monitored on periodic basis.

4. Risk Management Procedures

4.1. General

Risk management process includes four activities: Risk Identification, Risk Assessment, Risk Mitigation, Risk Monitoring and Risk Reporting.

4.2. Risk Identification

The purpose of Risk identification is to identify internal and external risks specifically faced by the Company, 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 and identify all other events that can have an adverse impact on the achievement of the business objectives. All Risks identified are documented in the form of a Risk Register. Risk Register incorporates risk description, category, classification, mitigation plan, responsible function / department.

4.3. Risk Assessment

Assessment involves quantification of the impact of Risks to determine potential severity and probability of occurrence. Each identified Risk is assessed on two factors which determine the Risk exposure:

A. Impact if the event occurs

B. Likelihood of event occurrence

Risk Categories: It is necessary that Risks are assessed after taking into account the existing controls, so as to ascertain the current level of Risk. Based on the above assessments, each of the Risks can be categorized as – low, medium and high.

4.4. Risk Mitigation

The following framework shall be used for implementation of Risk Mitigation:

All identified Risks should be mitigated using any of the following Risk mitigation plan:

a) Risk avoidance: By not performing an activity that could carry Risk. Avoidance may seem the answer to all Risks but avoiding Risks also means losing out on the potential gain that accepting (retaining) the risk may have allowed.

b) Risk transfer: Mitigation by having another party to accept the Risk, either partial or total, typically by contract or by hedging / Insurance.

c) Risk reduction: Employing methods/solutions that reduce the severity of the loss e.g. having adequate software in place to prevent data leak.

d) Risk retention: Accepting the loss when it occurs. Risk retention is a viable strategy for small Risks where the cost of insuring against the Risk would be greater than the total losses sustained. All Risks that are not avoided or transferred are retained by default.

5. Monitoring and reviewing Risks

The Risk Management Committee shall formulate the policies for effective identification, monitoring, mitigation of the Risks. The secretary of the Committee shall maintain the Risk Register.

Internal audit committee will review the Risk Register once in a year and will add any new material Risk identified to the existing list. These will be taken up with respective functional head for its mitigation.

Existing process of Risk Assessment of identified Risks and its mitigation plan will be appraised by the Risk Management Committee to Board on an annual basis.

6. Meetings

The Committee shall meet at least twice annually or as frequently as may be considered necessary by the Chairperson of the Committee. There should not be a gap of more than 210 days between two consecutive meetings

7. Amendment

Any change in the Policy shall be approved by the board of directors ("**Board**") of the Company. The Board 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 in this respect shall be final and binding. Any subsequent amendment / modification in the Companies Act, 2013 or the Rules framed thereunder or the Listing Regulations and/or any other laws in this regard shall automatically apply to this Policy.

8. Communication of this Policy

This Policy shall be posted on the website of the Company i.e. www.powericaltd.com

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.