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RISK MANAGEMENT POLICY

1. Objectives of the Policy:

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, including the development of the Risk Matrix, in order to guide decisions on risk related issues. The specified objectives of the Risk Management Policy are:

- i) To ensure that all the current and future material risk exposures of the Company are identified, assessed, quantified, appropriately mitigated and managed;
- ii) To establish a framework for the Company's Risk Management process and to ensure its implementation;
- iii) To ensure systematic and uniform assessment of risks related with construction projects and operational units;
- iv) To enable compliance with appropriate regulations, wherever applicable, through the adoption of best practices;
- v) To assure business growth with financial stability.

2. Risk Management Policy:

In order to fulfill the objectives of this Policy and to lay a strong foundation for the development of an integrated Risk Management framework, the Policy outlines the following guiding principles of Risk Management:

- i) All business decisions will be made with the prior information and acceptance of risk involved.

- ii) All business decisions shall be intended towards the enhancement and protection of business values from uncertainties and consequent losses.
- iii) All employees of the Company shall be alert, vigilant and aware of risks in their respective domains and their mitigation measures.
- iv) The risk mitigation measures adopted by the Company shall be effective in the long-term and to the extent possible be embedded in the business processes of the Company.
- v) Risk tolerance levels will be regularly reviewed and decided depending on the change in Company's strategy.
- vi) The occurrence, progress and status of all risks will be promptly reported and appropriate actions be taken thereof.

3. Risk Management Policy Statement:

The Policy statement is as give below:

- i) To ensure protection of the interests of all stake holders through the establishment of an integrated Risk Management framework for identifying, assessing, monitoring, evaluating and reporting of all risks and their mitigation measures.
- ii) To provide clear and strong basis for informed decision making at all levels of the organization.
- iii) To continually strive towards strengthening the Risk Management System through continuous learning and improvement.

4. Scope and extent of application:

The Policy guidelines are devised in the context of the future growth objectives, business profile envisaged and new business endeavors that may be necessary to achieve these goals and the emerging global standards and best practices amongst comparable organizations. This Policy is meant to ensure continuity of business and protection of interests of all the stakeholders and thus covers all the activities within the Company and events outside the Company which have a bearing on the Company's business.

5. Risk assessment:

The process of Risk Assessment shall cover the following:

- i) Risk Identification and Categorization – the process of identifying the Company’s exposure to uncertainty classified as Strategic / Business / Operational.
- ii) Risk Description – the method of systematically capturing and recording the Company’s identified risks in a structured format.
- iii) Risk Estimation – the process for estimating the cost of likely impact either by quantitative, semi-quantitative or qualitative approach.

6. Implementation of Risk Strategy:

The following framework shall be used for the implementation of the Risk Strategy:

Based on the Risk Appetite / Risk Tolerance level determined and reviewed from time to time, the Company should formulate its Risk Management Strategy. The strategy will broadly entail choosing among the various options for risk mitigation for each identified risk. The risk mitigation can be planned using the following key strategies:

i) 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 might have allowed.

ii) Risk Transfer:

Mitigation by having another party to accept the risk, either partial or total, typically by contract or by hedging.

iii) Risk Reduction:

Employing methods / solutions that reduce the severity of the loss.

iv) Risk Retention:

Accepting the loss when it occurs. Risk retention is a viable strategy for small risk where the cost of insuring against the risk would be greater over time than the total losses sustained. All risks that are not avoided or transferred are retained by default. This includes risks that are so large or catastrophic that they either cannot be insured against or the premiums would be infeasible.

7. Procedure for Risk Management and Mitigation:

I) Identification:

- i) The Departmental Heads will meet periodically to identify specific business risks and analyse its consequences.

ii) Among all the risks identified, the Management will prioritize and focus on key risks and their mitigation measures.

II) Evaluation and Control:

- i) Identified risks will be assessed in terms of potential consequences and cost of impact.
 - ii) Risks will be ranked in accordance with their likely impact.
 - iii) The acceptability of each identified risk will be assessed.
 - iv) Proposed actions to eliminate, reduce or manage each material risk will be considered and agreed.
 - v) Responsibilities for the management of each risk will be assigned to appropriate managers.
- Based on a cost/benefit assessment of a risk, as is undertaken, some risks may be judged as having to be accepted because it is believed mitigation is not possible or may not be required.

III) Monitoring:

As the risk exposure of any business may undergo change from time to time due to continuously changing environment, the updation of the Risk Matrix will be done on a regular basis. The following process will be followed:

i) On an immediate basis:

Monitoring and identification of risks which have substantial impact to the business and to take immediate mitigation measures by the concerned Manager in consultation with the departmental head or other higher authorities.

ii) On monthly basis:

- a) The departmental Heads will review the status of risks and actions taken for its mitigation with key staff in their respective areas.
- b) Any new or changed risks will be identified and reviewed and mitigation measures will be taken wherever deemed necessary.
- c) Particular emphasis has to be given to risks with high intensity and their corrective actions shall be taken forthwith.

iii) On quarterly / annual basis:

- a) The Chief Operating Officer will report its collective findings to Risk Management Committee and to the Board on quarterly /annual basis.
- b) The Risk Management process is reviewed by the Risk Management Committee for efficiency and effectiveness on regular basis.

IV) Responsibility:

Everyone in the Company is responsible for the effective management of risk. All staff is responsible for identifying potential risks. Management is responsible for developing risk mitigation plans and implementing of risk reduction strategies.

The Risk Management process will be integrated with other planning processes and management activities.

8. Approval of the Policy:

The Board will be the approving authority for the Company's overall Risk Management System. The Board will, therefore, monitor the compliance and approve the Risk Management Policy and any amendments thereto from time to time.

9. Review of the Policy:

The Policy will be the guiding document for Risk Management and will be reviewed as and when required due to the changes in the Risk Management regulations / standards / best practices as appropriate.

9. Risks associated with the Company:

An illustrative list of risks associated with the Company's business and the possible mitigation measures is given as Annexure to this Policy. However, this list is not an exhaustive list and may be enlarged with the experience of the Company with unforeseen risk exposures in the course of business from time to time.

Note: The above policy has been reviewed by the Board in its meeting held on 25.02.2026

ANNEXURE

Probable Risks associated with the Company's business and its mitigation plans

| S.NO. | RISKS ASSOCIATED | MITIGATION STRATEGIES |
|-------|---|---|
| 1. | Gold & Precious Metal Price Volatility Risk <ul style="list-style-type: none"> • Fluctuation in gold, diamond, and precious metal prices affects margins. • Inventory value changes rapidly. • Sudden price crashes may result in inventory losses. | <ul style="list-style-type: none"> • Adoption of dynamic pricing linked to daily bullion rates. • Maintaining optimum inventory levels. • Availing gold metal loans where appropriate. • Regular monitoring of gross margins and stock turnover. |
| 2. | Inventory Risk (Theft / Pilferage / Loss) <ul style="list-style-type: none"> • High-value inventory is vulnerable to internal and external theft. • Shoplifting and staff collusion risks. | <ul style="list-style-type: none"> • Installation of CCTV surveillance systems. • Strong internal control procedures and segregation of duties. • Periodic stock verification and surprise audits. • Comprehensive insurance coverage for stock and premises. |
| 3. | Regulatory and Compliance Risk Non-compliance with: <ul style="list-style-type: none"> • BIS hallmarking regulations • GST provisions • Income Tax laws • Companies Act, 2013 • SEBI LODR | <ul style="list-style-type: none"> • Maintenance of a compliance calendar. • Regular review by Company Secretary and compliance professionals. • Internal audit and statutory audit reviews. • Strict adherence to BIS hallmarking norms. |
| 4. | Credit Risk <ul style="list-style-type: none"> • Defaults from wholesale buyers. • High receivable cycle impacts working capital. | <ul style="list-style-type: none"> • Defined credit approval process. • Customer credit limits and monitoring. • Regular review of receivables ageing. • Legal documentation for major transactions. |
| 5. | Liquidity and Working Capital Risk <ul style="list-style-type: none"> • Jewellery business is capital intensive. • Large funds blocked in inventory. • Cash flow mismatch. | <ul style="list-style-type: none"> • Monthly cash flow planning and monitoring. • Utilization of working capital facilities prudently. • Efficient inventory turnover management. |
| 6. | Market and Competition Risk <ul style="list-style-type: none"> • Competition from large brands. • Online jewellery platforms. • Changing consumer preferences | <ul style="list-style-type: none"> • Focus on design innovation and customer customization. • Strengthening brand positioning. • Leveraging digital marketing and customer engagement initiatives. |
| 7. | Reputation Risk <ul style="list-style-type: none"> • Allegations of impurity. • Social media complaints. • Compliance breaches. | <ul style="list-style-type: none"> • Strict quality checks and transparency in pricing. • Customer grievance redressal mechanism. • Ethical business practices and governance standards. |
| 8. | Cyber and Data Risk <ul style="list-style-type: none"> • POS system breach. • Customer data leakage. • Online fraud. | <ul style="list-style-type: none"> • Secured IT systems and firewall protection. • Periodic data backups. • Restricted system access controls. |
| 9. | Operational Risk <ul style="list-style-type: none"> • Skilled karigar dependency. • Supply chain disruption. • Fire or natural disasters. | <ul style="list-style-type: none"> • Vendor diversification. • Fire safety systems and emergency preparedness. • Adequate insurance coverage. |