MUMBAI URJA MARG LIMITED

RISK MANAGEMENT POLICY

INDEX

S. No.	Particulars	Page No.
1.	Preface	3
2.	Objective	3
3.	Definition	3-4
4.	Applicability	4
5.	Composition of Risk Management Committee	4
6.	Type of Risks	4-7
7.	Risk Management	7
8.	Risk Management Principles	7-9
9.	Risk Management Process	9-10
10.	Meetings	11
11.	Roles and Responsibilities of Risk Management Committee	11-12
12.	Amendment	12
13.	Reporting	12

1. PREFACE

This **RISK MANAGEMENT POLICY, ("THE POLICY")**, has been adopted by the Board of Directors and shall be effective from **August 11th, 2025**.

The board of directors ("**Board**") of Mumbai Urja Marg Limited ("**the Company**") has adopted a Risk Management Policy in compliance with the requirements of Section 134(3) of the Companies Act, 2013 ("**the Act**") and regulation 62I read with schedule II Part D (Para C) (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI Listing Regulations**"). According to the Risk Management Policy, the Board shall be responsible for framing, implementing, and monitoring the Risk Management plans for the Company.

2. OBJECTIVE

The objective of this document is to articulate an effective Risk Management Policy and process for the Company. In order to achieve the key objective, this Policy establishes a structured and disciplined approach to Risk Management, in order to guide decisions on Risk related issues. These include:

a. Establish methodologies for identification, measurement and management of risk;
b. Develop a structured approach for managing risks across all levels of the organization;
c. Contributing towards more efficient use/ allocation of the resources within the organization;
d. Implement effective measures to prevent, minimize, or control identified risks to acceptable levels;
e. Enable informed decision-making by integrating Risk analysis into business planning and strategy formulation;
f. Developing and supporting people and knowledge base of the organization;
g. Protecting and enhancing assets and company image

3. DEFINITIONS:

"**Board of Directors" or "Board**", in relation to a Company, means the collective body of the directors of the Company.

"**Audit Committee" or "Committee**" means Committee of Board of Directors of the Company in accordance with the provisions of the Companies Act, 2013 and as per SEBI (LODR) Regulations.

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

“Risk” refers to the effect of uncertainty on the objectives. Risk is measured in terms of consequences and likelihood. Risks can be internal and external and are inherent in all administrative and business activities. Every member of any organisation continuously manages various types of risks. Formal and systematic approaches to managing risks have evolved and they are now regarded as good Management practice also called as Risk Management.

“Risk Management” refers to the systematic way of protecting business resources and income against losses so that the objectives of the Company can be achieved without unnecessary interruption.

4. APPLICABILITY

This Risk Management Policy applies to all Business Units, Divisions, and functions of the Company, as per current and revised organizational structures that would evolve from time to time. The Risk Management Committee may periodically review the Risk Management of the Company.

5. COMPOSITION OF RISK MANAGEMENT COMMITTEE

The Risk Management Committee (“**Committee**”) of the Company shall have a minimum of three Members with the majority of them being members of the Board, including at least one Independent Director. The Chairperson of the Committee shall be a member of the Board and senior executives of the Company may be members of the Committee.

The Company Secretary shall act as the Secretary to the Committee. The Secretary will be responsible for taking adequate minutes of the proceedings and reporting on actions taken in the subsequent meeting.

The Committee 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 it considers necessary.

6. TYPES OF RISKS

The Risk Management Policy aims to cover, amongst others, the following key areas/ risks which will form part of the Risk Register:

Strategic Risks – For large organizations, the key business decisions can have a significant impact on their long-term growth potential. Venturing into new areas may be required to meet strategic objectives and sustainability goals. To have a competitive edge, businesses acquire new resources or invest in strategic partnerships to shape innovative product segments or technologies. However, such decisions will come with a fair amount of risks, inherent, or otherwise. Additionally, the ever-changing economic policies may influence the strategies and performance of the Company. The mismatch in demand and supply and competitive products may influence the market share of the Company. The Company should keep a close watch on the upcoming policies and changes in the existing policies and adapt itself accordingly. Strategic decisions should be reviewed by all relevant internal stakeholders and run through a robust decision making process.

Operational Risks – Manufacturing defects, labour unrest, injuries, accidents, suspended operations of a plant may affect the operations of the Company. Given the scale of operations, even the slightest disturbance can have a significant impact on work force or revenue. The growth in global business further complicates and adds to the severity of the business and regulatory risks we may be required to take due to our entry into new markets. With a goal of creating value, the Company recognizes that there are multiple focus areas to ensure smooth operations. The Company should therefore develop Risk mitigation strategies for managing risks in each of the Business Operation areas.

Financial Risks – The financial risks relate to adequate liquidity for routine operations and availability of funds for greenfield and brownfield expansions, impact of currency fluctuations due to entry in newer geographies, change in credit ratings, etc. It also includes the risks associated with the investments made by the Company. The financial performance of its subsidiaries, associates and any other affiliates that may adversely affect the Company's results should be closely monitored. The investments of the Company should be made based on financial modelling and the currency fluctuations be examined regularly. In addition, the Company has an exposure of commodity price Risk and foreign exchange Risk denominated in USD for exports and USD, EUR and JPY in respect of its imports. The Company uses various instruments as approved under the central bank regulations to hedge these exposures. Multiple levers mitigate these risks, and the selection of a lever may depend on the cost-benefit analysis and the extent of exposure. The Company works on an ongoing basis on cost reduction, weight reduction, alternate materials and process improvement exercises. The Company also considers localization of imports/ global sourcing to ensure lowest cost option in sourcing of parts/ raw material.

Regulatory Risks – Non-compliance to the applicable laws may result in liabilities and may affect the reputation of the Company. The frequent changes in regulatory norms require the Company to be prepared and update the products with the applicable standards. The Company has proper systems in place to prevent non-compliance of applicable laws to the company. Further, the Company should constantly monitor and comply with the frequent changes in the domestic and global norms.

Technology Risks – The Company is committed to embracing new technologies to deliver superior products and solutions to its customers and stakeholders. Adoption of new technology or being left behind in the era of evolving technologies is the primary Risk that it monitors. IT and digitalization are the key enablers for delivering end-to-end mobility solutions. However, even these are prone to risks associated with disaster preparedness, data security, information privacy, legal compliance, etc. The technology risks should be mitigated by continuous R&D initiatives of the Company, keeping abreast with the global changes, promoting entrepreneurial skills of the personnel and developing in-house solutions or procuring them. Business models may evolve, based on changes in technology, otherwise, which will also need to be considered in our understanding of the Risk matrix.

Sustainability Risks – Economic, Social and Governance (ESG) risks are leading to significant disorders across many organizations. Emerging global scenarios as the pandemic bring along serious uncertainties for businesses both in domestic as well as global markets. There has also been a shift in spending patterns in some of the markets and businesses had to come up with innovative practices to manage this. Climate change has made the mobility sector focus even more on the non-traditional energy sources. With a focus on long-term value creation, the company regularly identifies and closely monitors the risks under the ESG bucket. The organization should ensure timely escalation of critical risks and development of a suitable mitigation plan to manage those.

Cyber Security and Information Technology Risks – With an ever-increasing dependency on the IT networks, the Company has a significant focus on the Cyber Security threats. The Company identifies cyber security risks based on evolving threat situations. In recent times, Cyber Security has been strengthened even more and the mitigation actions should be monitored periodically.

Business Continuity Planning (BCP) – The Company recognizes the importance of BCP for the smooth running of business particularly during unfavourable times, including pandemic. The Company focuses on business continuity, both from a business operations sustainability viewpoint as well as employee welfare measures perspective. A cross functional BCP team would develop a BC Plan, which will focus especially on key action steps, roles and responsibilities, trigger mechanisms, turnaround times etc. to be always prepared to tackle any situation that can potentially affect the business operations.

7. RISK MANAGEMENT

Risk Management is a set of activities undertaken to continuously monitor organizational risks so as to ensure that any unmitigated or emerging Risk does not grow beyond the Risk appetite of the organization. Management's response shall be to make and carry out decisions that will minimize the adverse impact of Risk elements and, thereby, the accidental losses, upon the organization.

The Risk Management Policy is adopted to make Risk Management an integral part of decision-making process during regular business operations so as to strengthen the Company's Management practices, demonstrable to the external stakeholders. A review of risks must be done concurrently with decision making for various projects or investments and all proposals must include the relevant risks along with mitigation actions and/or business cases, as appropriate.

8. RISK MANAGEMENT PRINCIPLES

For Risk Management to be effective, the Company shall at all levels comply with the principles given below:

i. Risk Management creates value

Risk Management contributes to the demonstrable achievement of objectives and improvement of performance in, for example, human health and safety, security, legal and regulatory compliance, public acceptance, environmental protection, product quality, project Management, efficiency in operations, governance, and reputation.

ii. Risk Management is an integral part of all organizational processes

Risk Management is not a standalone activity, and not separate from the main activities or processes of the organization. Risk Management is part of the responsibilities of Management and an integral part of all organizational processes, including strategic planning and all project and change Management processes.

iii. Risk Management is part of Decision Making

Risk Management helps decision makers make informed choices, prioritize actions and distinguish between alternative courses of action.

iv. Risk Management helps to manage Uncertainty

Risk Management explicitly takes account of uncertainty, the nature of that uncertainty, and how it can be addressed

v. Risk Management is based on the best available information

The inputs to the process of managing Risk are based on information sources such as historical data, experience, stakeholder feedback, observation, forecasts, and expert judgement. However, decision makers shall inform themselves of, and shall take into account, any limitations of the data or modelling used or the possibility of divergence among experts.

vi. Risk Management is tailored

Risk Management is aligned with the organization's external and internal context and Risk profile.

vii. Risk Management is transparent and inclusive

Appropriate and timely involvement of stakeholders and, in particular, decision makers at all levels of the organisation, ensures that Risk Management remains relevant and up to date. Involvement also allows stakeholders to be properly represented and to have their views taken into account in determining Risk criteria

viii. Risk Management is dynamic and responsive to change

Risk Management continually senses and responds to change. As external and internal events occur, context and knowledge change, monitoring and review of risks take place, new risks emerge, some change, and others disappear.

9. RISK MANAGEMENT PROCESS

The company may lay down the guidelines with regard to the response to the various risks faced by the business. It may accordingly form the mitigation strategies which would be reviewed periodically whenever deemed fit.

i. Risk Identification & Assessment Process

Risks are events or conditions that may occur, and whose occurrence, if it does take place, has a harmful or negative impact on the achievement of the organization's business objectives. Identified risk needs to be defined adequately and recorded. Key characteristics by which risks can be identified are:

- Risks are adverse consequences of events or changed conditions.
- Their occurrence may be identified by the happening of trigger events.
- Their occurrence is uncertain and may have different extents of likelihood.

ii. Risk Prioritization & Exposure Process

In this process, the consequences of the risk occurrences may be quantified to the maximum extent possible, using quantitative, semi-quantitative or qualitative techniques. Process of risk quantification for the Company has to be qualitative, supported by quantitative impact analysis. It would consider the actual cost impacts (like claims by customer, regulatory penalties, and financial loss) as well as opportunity costs (like loss in realization of revenue, customer dissatisfaction) may be captured to arrive at the total cost impact of materialization of the risk.

iii. Risk Management Strategy

This involves identifying relevant strategies or tools to effectively mitigate possible risk events. Based on the Risk Appetite/Risk Tolerance level determined and reviewed from time to time, the Board would 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:

- 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.
- Risk Transfer: Mitigation by having another party to accept the risk, either partial or total, typically by contract or by hedging.
- Risk Mitigation: Employing methods/solutions that reduce the severity of the loss
- 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 over time than the total losses sustained. All risks that are not avoided or transferred.
- Risk Sharing: Conducting business with a partner or in collaboration so that the risk is shared between the parties.

iv. Risk Communication, Reporting & Monitoring

Risk communication, reporting and monitoring, is a critical phase in the Enterprise Risk Management (ERM) framework. The framework will end as a project rather than a process if the risks are not monitored, communicated and reported on a constant basis.

- Risk communication helps develop an appropriate risk culture in the organization. The risk monitoring and reporting is used as a management decision support system enabling them to perceive the overall risks of the organization and analyze the progress made on the same.
- The risk mitigation strategy may be communicated to concerned stakeholders. Risk management policies framed should be rolled out to the employees wherever applicable

Risk Management is not a stand-alone discipline but needs to be integrated with the existing business processes to deliver the greatest benefits. As a minimum, Risk Management must be integrated with the core processes and all critical risks identified must be recorded.

10. MEETINGS

As per Regulation 21 of the SEBI LODR, 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.

11. ROLES AND RESPONSIBILITIES OF RISK MANAGEMENT COMMITTEE

The Committee would be the apex body whose responsibilities shall include the following:

i. To 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.

ii. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company

iii. To monitor and oversee implementation of the Risk Management policy, including evaluating the adequacy of Risk Management systems

iv. To periodically review the Risk Management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity

v. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken

vi. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee

vii. Undertake any other activity in this regard as may be required by the Companies Act, 2013 or the Rules, from time to time.

viii. guidelines and procedures to be followed by the Authorised Signatories with respect to revaluation and monitoring of derivative positions

ix. designation of officials authorized to undertake Transactions, derivative transactions and duly quantified limits per transaction assigned to them and the assignment of limits to an official would be on per transactions basis

x. accounting policy and disclosure norms to be followed for the derivative transactions
xi. appropriate disclosure of the mark to market valuations
xii. separation of duties between front, middle and back office
xiii. mechanism for reporting of data to the Board including financial position of transaction
xiv. To do all acts, deeds and things as may be necessary for effective implementation of the foregoing acts.
xv. The Committee shall coordinate its activities with other committees, in instances where there is any overlap with the activities of such committees, as per the framework laid down by the board of directors

12. AMENDMENT

Any change in the Policy shall be approved by the Board of the Company. The Board shall have the right to withdraw and / or amend any part of the 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 Act or the rules framed thereunder or the SEBI Listing Regulations and/or any other laws in this regard shall automatically apply to the Policy.

13. REPORTING

I. The Committee shall report and update the Board periodically, on risk-related matters
II. The Annual Report of the Company shall disclose, the composition of the Committee, meetings, attendance, and risk-related disclosures under SEBI Listing Regulations, as may be necessary to comply with the requirement.

Effective & Adopted with effect from - August 11th, 2025