Anjali LabTech Limited

RISK MANAGEMENT POLICY

Section 134(3) read with Section 177(4) of the Companies Act, 2013 (the "Act") read with Regulation 21 and Part D of Schedule II of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations")

RISK MANAGEMENT POLICY

1. TITLE

This Policy shall be called the "Risk Management Policy."

2. PREAMBLE

In accordance with the provisions of Section 134(3) read with Section 177(4) of the Act, read with applicable rules thereto and Regulation 21 read with Part D of Schedule II of the SEBI Listing Regulations, the Board of Directors of the Company vide their resolution passed by circulation on August 06, 2025 constituted the Risk Management Committee (hereinafter referred to as committee) of the Board of Directors and also stipulated terms of reference in line with the Act, in order to appoint the persons under the Risk Management Committee, formulated and approved this Risk Management Policy ("**Policy**") in its duly convened and held meeting of the Board ("**Board**"), dated September 20, 2025.

3. OBJECTIVE

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) To formulate a Business continuity plan.
d) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management system.
e) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity.
f) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken.

4. DEFINITIONS

For the purpose of this Policy the following terms shall have the meanings assigned to them hereunder:

a) "**Act**" means the Companies Act, 2013, read with the rules thereunder, as amended.
b) "**Board**" means the board of directors of the Company.
c) "**Committee**" means the Risk Management committee of the Board.
d) "**Company**" means Anjali LabTech Limited.
e) "**Director**" means a member of the Board.
f) "**Risk Management Policy**" means this Policy, as amended from time to time.

Words and expressions used and not defined in this Policy shall have the meaning ascribed to them in the SEBI Listing Regulations, the Securities and Exchange Board of India Act, 1992, as amended, the Securities Contracts (Regulation) Act, 1956, as amended, the Depositories Act, 1996, as amended, or the Act.

5. CLASSIFICATION OF RISKS

Risk can be identified as being internal or external. Further, subject-matter wise risk can be classified as:

1. Operational risks;
2. Financial risks;
3. Sustainability risks (particularly, environment, safety and governance related risks);
4. Information, Cyber security risks; and
5. Other Risks

I. OPERATIONAL RISKS

Operational Risks/Business risk relates to the risks involved in the day to day business activities carried out within an organisation, arising from structure, systems, people, products or processes. The Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events. Broadly, there are risk associated to manufacturing and trading operations:

II. FINANCIAL RISKS

The Company may be exposed to the following financial risks:

1. Claims from debtors due to quality and other issues in the past supplies, return of goods and consequent delays in recovery of dues.
2. High interest cost.
3. Any change in Indian tax laws.
4. Any adverse order passed by the appellate authorities, tribunals or courts would have an impact on our profitability.
5. High financial risks in the form of credit risk, volatility in the equity market, change in interest rates, monetary policies framed by the Government and Reserve Bank of India.
6. Access to capital.

Measures for risk mitigation:

1. With the all-round efforts to increase the turnover, profitability and resultant liquidity position of the Company, the Company may meet its financial obligations to bank in time;
2. Accounts of sticky debtors to be reconciled and settled.
3. Reducing the size of its investment portfolio and parking surplus funds primarily in safe, liquid assets.

III. SUSTAINAIBILITY RISKS

ENVIRONMENT, SOCIAL AND GOVERNANCE RELATED RISKS AND THEIR MITIGATIONS:

Environmental, social and governance (ESG) are three central factors in measuring the sustainability and ethical impact of a company. ESG factors, though non-financial, have a material impact on the long-term risk and return of investments. Responsible investors evaluate companies using ESG criteria as a framework to screen investments or to assess risks in investment decision-making. The Company shall take proper steps for managing resources and preventing pollution, reducing emissions and climate impact, and executing environmental reporting or disclosure.

Social risks refer to the impact that companies can have on society. The Company shall undertake social activities such as promoting health and safety, encouraging labour-management relations, protecting human rights and focusing on product integrity. Social positive outcomes include increasing productivity and morale, reducing turnover and absenteeism and improving brand loyalty.

Governance risks include the rapidly changing legislative framework in India which requires a very stringent compliance by corporate entities to the provisions of the Companies Act, 2013, Secretarial Standards, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and various other regulations framed by SEBI on a regular basis, which provide stringent provisions including imposition of penalty and prosecution.

The Company shall ensure compliance with the changing regulations as a constant monitoring process and in time. The Company shall also ensure reporting of ESG related disclosures as mandated under Regulation 34 (2) (f) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

IV. INFORMATION AND CYBER SECURITY RISK AND ITS MITIGATION

Information (Data) and Cyber security risk is the probability of exposure or loss resulting from a cyberattack or and data breach on the organization. Organizations are becoming more vulnerable to cyber threats due to the increasing reliance on computers, networks, programs, social media and data globally. Data breaches, a common cyberattack, have a massive negative business impact and often arise from insufficiently protected data. The proliferation of technology enables more unauthorized access to the organization's information than ever before. Third-parties are increasingly provided with information through the supply chain, customers, and other third and fourth-party providers. Data breaches have massive, negative business impact and often arise from insufficiently protected data.

The following as potential targets under cyber security risk:

1. Risks associated with incorporation and maintenance of Enterprise Resource Planning (ERP) Systems;
2. Customer data;
3. Employee data;
4. Intellectual property;
5. Third and fourth party vendors;
6. Product quality and safety;
7. Contract terms and pricing;
8. Strategic planning; and
9. Financial data.

Measures for risk mitigation:

The Company shall take the following steps to mitigate the aforesaid information and Cyber Security risks:

1. Administering security procedures, training and testing
2. Maintaining secure device configurations, up-to-date software, and vulnerability patches
3. Deployment of intrusion detection systems and penetration testing
4. Configuration of secure networks that can manage and protect business networks
5. Deployment of data protection and loss prevention programs and monitoring
6. Restriction of access to least required privilege
7. Encryption of data where necessary
8. Proper configuration of cloud services
9. Implementation of vulnerability management with internal and third-party scans
10. Recruitment and retention of cybersecurity professionals

V. OTHER RISKS

1. Natural calamities could have an adverse impact on the Indian economy which, in turn, could adversely affect our business, and may cause damage to our infrastructure and the loss of business continuity and business information.
2. Global or regional climate change or natural calamities in other countries where we may operate could affect the economies of those countries. There have been outbreaks of diseases in the past.
3. Any outbreak of health epidemics may restrict the level of business activity in affected areas, which may, in turn, adversely affect our business.

Measures for risk mitigation:

The Company shall take various insurance policies to cover the risk associated with its business namely:

1. Consequential loss policy covering loss of profits caused due to fire;
2. Standard fire and special perils policy to cover the material damage for various goods (products) in which the company deals; and
3. Taking appropriate insurance policies to cover risk related to its assets – both immovable like office premises, various residential premises owned by the Company as well as for various goods (products) in which the Company deals.
4. Framing and issuing detailed safety guidelines for its employees and workers.

6. MEASURES FOR RISK MITIGATION INCLUDING SYSTEMS AND PROCESSES FOR INTERNAL CONTROL OF IDENTIFIED RISKS

A. The Company shall review the risk based control system and evolve a procedure for risk assessment and timely rectification which will help in minimisation of risk associated with any strategic, operational, financial and compliance risk across all the business operations. These control procedures and systems will ensure that the Board is periodically informed of the material risks faced by the Company and the steps taken by the Company to mitigate those risks.
B. Risk Management Committee of Board of Directors of the Company shall meet at least twice in a year to identity risk faced by each department and steps taken by each department to mitigate the same.

7. REVIEW AND AMENDMENT OF THIS POLICY

This policy will be reviewed at least once in two years by the Board / Committee.

The Board of Directors, either on its own or as per the recommendations of Risk Management Committee, can amend this Policy, as and when it deems necessary.

8. LIMITATION AND AMENDMENT

In the event of any conflict between the Act or the SEBI Regulations or any other statutory enactments ("**Regulations**") and the provisions of this policy, the Regulations shall prevail over this policy. Any subsequent amendment / modification in the Regulations, in this regard shall automatically apply to this policy.

9. BUSINESS CONTINUITY PLAN

Business Continuity Plans (BCP) are required to be defined for risks corresponding to unplanned disruption in service. The BCP typically contains a checklist that seeks to address risks of high nature immediately so that no disruption in business is occurred.