

T.C. TERRYTEX LIMITED

RISK MANAGEMENT POLICY

1. FRAMEWORK:

The **Risk Management Policy** and associated processes aim to enable **TC Terry Tex Limited** to proactively manage uncertainty and adapt to changes in both internal and external environments to minimize negative impacts and seize opportunities.

The **Company's Risk Management Policy** ("the Policy") outlines the framework implemented by the Company to ensure proper risk management across its systems and culture.

This Policy is formulated in compliance with Regulation 17(9)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") and the provisions of the Companies Act, 2013 ("the Act"), which require the Company to develop and implement procedures for risk assessment and risk minimization.

2. DEFINITIONS

The following words and expressions shall have the meanings set out below, unless otherwise stated in the Act:

Audit Committee: "Audit Committee" refers to the Committee of the Board constituted under Section 177 of the Act.

- **Board:** "Board" refers to the Board of Directors of **TC Terry Tex Limited** as defined under the Act.
- **Policy:** "Policy" or "this Policy" refers to the Risk Management Policy. Any terms not defined in the Policy shall have the meanings assigned to them in the Act.

3. OBJECTIVE & PURPOSE OF THE POLICY:

The main objective of this Policy is to ensure sustainable business growth with stability while promoting a proactive approach to identifying, evaluating, and addressing risks associated with the business. To achieve this, the Policy establishes a structured and disciplined approach to risk management, guiding decision-making on risk-related issues.

Specific objectives of the Risk Management Policy are:

- To ensure that all current and future material risk exposures of the Company are identified, assessed, quantified, mitigated, minimized, and effectively managed.
- To establish a clear framework for the Company's risk management process and ensure its successful implementation.
- To facilitate compliance with applicable regulations and incorporate best practices.
- To assure business growth while maintaining financial stability.

4. OVERSIGHT AND MANAGEMENT:

The **Board of Directors** ("the Board") is responsible for reviewing and ratifying the risk management structure, processes, and guidelines, which are developed and maintained by Committees and Senior Management. The Committees or Management may also refer specific issues to the Board for final consideration and direction.

The requirement for the Risk Management Policy stems from the Companies Act, 2013, and is summarized as follows:

- **Section 134(3):** A report by the Board of Directors must be included with financial statements, outlining the development and implementation of a risk management policy, including the identification of risk elements that may threaten the existence of the Company.
- **Section 177(4):** The Audit Committee shall, as per the terms of reference, evaluate internal financial controls and risk management systems.
- **Schedule IV (Section 149(8)) - Code for Independent Directors:** Independent directors are tasked with bringing independent judgment to the Board's discussions, especially on strategy, performance, risk management, resources, and key appointments. They are responsible for ensuring the integrity of financial information and the robustness of financial controls and risk management systems.

5. AUDIT COMMITTEE:

As per **Regulation 19(5)** of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, the provisions of constituting a Risk Management Committee apply to the top 1000 listed entities, determined based on market capitalization at the end of the preceding financial year. For **TC Terry Tex Limited**, the Audit Committee has been authorized to oversee the Risk Management processes.

The **Audit Committee** is responsible for managing and overseeing the Company's risk management program. Specifically, it will:

- Manage and monitor the implementation of action plans developed to address material business risks.
- Set up internal processes and systems to control the implementation of these action plans.
- Regularly evaluate the performance of management in managing risks.
- Ensure management and employees have the tools and resources to identify and manage risks.
- Regularly review and update the list of material business risks.

- Regularly report to the Board on the status of material business risks.
- Review and monitor cybersecurity measures.
- Ensure compliance with regulatory requirements and best practices related to risk management.

Senior Management:

The **Senior Management** is responsible for designing and implementing risk management and internal control systems that identify material risks for the Company and provide early warnings about risks before they escalate. Senior Management must implement action plans to address material business risks across the Company and its business units.

Senior Management is also responsible for regularly monitoring and evaluating the effectiveness of these action plans and ensuring compliance with internal risk control systems and processes. Regular reporting to the Audit Committee on the status and effectiveness of the risk management program is required.

Employees:

All employees are responsible for implementing, managing, and monitoring action plans concerning material business risks, as applicable.

6. DISCLOSURE IN BOARD'S REPORT:

The Board of Directors shall include a statement in the annual report confirming the development and implementation of the Risk Management Policy, including the identification of any elements of risk, if any, which in the opinion of the Board may threaten the of the Company.

7. AMENDMENT:

Any amendments to the Policy must be approved by the **Board of Directors** or any of its authorized Committees. The Board or its Committees reserve the right to withdraw or amend any part of this Policy at any time. Any subsequent amendments or modifications to the Listing Regulations or other relevant laws will automatically apply to this Policy.

This **Risk Management Policy** ensures that **TC Terry Tex Limited** tc terrytex limited adheres to sound risk management policy adheres to sound risk management practices while promoting sustainable growth and maintaining financial stability.
