RISK MANAGEMENT POLICY

(Effective from 14th November, 2022)

Considered and Approved by the Board of Directors on 14-11-2022.

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1. INTRODUCTION

As per the Regulation 17(9)(a)&(b) of the Securities and Exchange Board of India(Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the listed entity shall lay down procedures to inform members of board of directors about risk assessment and minimization procedures. Theboard of directors shall be responsible for framing, implementing and monitoring the risk management plan for the listed entity.

Section 134(3)(n) of the Companies Act, 2013 ("Act") states that there shall be attached to statements (i.e. financial statements) laid before a company in general meeting, a report by its Board of Directors, which shall include - "a statement indicating development and implementation of a risk management policy for the company including identification therein of elements of risk, if any, which in the opinion of the Board may threaten the existence of the company".

2. PURPOSE

The Risk Management Policy of Diamond Power Infrastructure Limited ("Company") outlines the risk management process being followed by the Company and set outs the responsibilities of the Board, Risk Management Committee, Internal Risk Management Committee, Senior Management and others within the Company in relation to risk management (subject to the applicability of regulations for formation of Risk Management Committee).

3. PROCESS AND PROCEDURE

The risk management process consists of the following main elements:

Identify	:	identify a risk and document the risks captured by therisk register owner.
Assess	:	the primary goal is to document the net effect of allidentified risks, by assessing: • Likelihood of risks; • Impact of each risk; • Proximity of risk; and • Prioritization based on scales.
Plan	:	preparation of management responses to mitigate therisks.
Implement	:	risk responses are actioned.
Monitor and review	:	monitor and review the performance of the risk management system and changes to business initiatives.
Communicate	:	provide regular reports to Internal Risk Management Committee / Audit Committee / Risk ManagementCommittee / Board at regular intervals.

4. RISK MANAGEMENT COMMITTEE

As per Clause 21 of the Securities and Exchange Board of India(Listing Obligations and Disclosure Requirements) Regulations, 2015 (”Listing Regulations”), the top 1000 listed companies by market capitalization are required to form a Risk Management Committee.

As on date the said criteria is not applicable to our Company and hence no formation of Risk Management Committee is required. However, when we will meet the said criteria or in view of change in the provisions of any Act, Rules or Regulations by which the said formation of the committee will be mandatory, the Board of Directors of the Company will take all necessary actions to comply the same.

5. AMENDMENT IN LAW

Any subsequent amendment / modification in the Listing Regulations / Act in this regard shall automatically apply to this Policy. The same shall be added/amended/ modified from time to time by the Board of Directors of the Company with due procedure.

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ANNEXUR

E - RISKS IDENTIFIED AT THE INTERNAL RISK MANAGEMENT COMMITTEE:

(A) PLANT (BARODA COMPLEX):

1. Availability of Power
2. Availability of Raw Material
3. Vacancies of technical / skilled manpower
4. Availability of critical spare parts
5. Synergy of inter-connected plants
6. Pollution
7. Contamination of FGs (within factory)
8. Statutory compliances related to plant
9. Plant obsolete (wear and tear)

(B) MARKETING

1. Demand forecast
2. Volatility in pricing of some Products
3. Dealers
4. Export and Import of some goods and materials
5. Logistics
6. Credit Risks (receivables)
7. Over dependence on single product/supplier.
8. Compliances related to sale and marketing of products
9. Statutory compliances
10. Contamination of FGs (ex-factory)

(C) PROJECT

1. Cost (inflation, exchange fluctuation, delay)
2. Time
3. deliverables (outdated technology, failure to produce required output, environment and other market factors)

(D) PURCHASE

1. Limited vendors for certain raw materials
2. Limited vendor base
3. Inventory Management
4. Procurement of quality raw material at budgeted price and on timely manner
5. Import
6. Storage space limitation

(E) FINANCE

1. Fixed Cost
2. Exchange risk on foreign currency borrowings
3. Commodity Risk and Hedging Activities *
4. Loss of revenue due to marketing risk
5. Costly procurement
6. Liquidity risk (receivables)
7. Increased cost of borrowings
8. High level of inventory (blockage of working capital)
9. Regulatory risks relating to tax, audit and governance compliances and changesin government policies relating thereto
10. Unbalanced borrowing programs for funding future projects
11. Fraud
12. Treasury operations
13. Volatile insurance cost

(F) HR

1. Litigation risks related to manpower, contract labour etc
2. strikes, lockouts
3. Statutory Compliances
4. Change in Government Policies on labour reforms
5. Succession Planning
6. Management Bandwidth
7. Over / Under sizing of manpower
8. Deployment of project affected people

(G) IT

1. SAP system Adaptation and its availability
2. Cyber Security Risks :

    a. Anti Spamming
    b. Anti Virus
    c. Intrusion Detection and Prevention
    d. Anti E-mail Spamming

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