IL JIN ELECTRONICS (INDIA) LIMITED
(FORMERLY KNOWN AS IL JIN ELECTRONICS (INDIA) PRIVATE LIMITED)

POLICY ON RISK ASSESSMENT, MANAGEMENT, AND BOARD INTIMATION OF RISK MINIMISATION PROCEDURES

Approved and adopted by the Board of Directors of the Company at its meeting held on 30th October 2026

I. PREAMBLE AND OBJECTIVE

The Board of Directors of IL JIN Electronics (India) Limited *(formerly known as IL JIN Electronics (India) Private Limited)* ("Company") in pursuance of Regulation 17(9) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations") and other applicable provisions (including any statutory enactments / amendments thereof), approved the Policy on Risk Assessment, Management, and Board Intimation of Risk Minimisation Procedures.

Regulation 17(9) of the SEBI LODR Regulations states that-

a) The listed entity shall lay down procedures to inform members of board of directors about risk assessment and minimization procedures.
b) The board of directors shall be responsible for framing, implementing and monitoring the risk management plan for the listed entity.

Section 134(3) of the Companies Act, 2013, as amended ("the Act") requires a statement to be included in the report of the Board of Directors (the "Board") of the Company 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.

Further, the provisions of Section 177(4)(vii) of the Act requires that every Audit Committee shall undertake evaluation of risk management systems.

Definitions:

- **"Company"** means IL JIN Electronics (India) Limited *(formerly known as IL JIN Electronics (India) Private Limited*.
- **"Board"** means Board of Directors of the Company.
- **"Policy" or "Plan"** means Risk Management Policy.
- **"Audit Committee"** shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 177 of the Companies Act, 2013.
- **"Compliance Officer"** means the Company Secretary and Compliance Officer of the Company.
- **"SEBI LODR Regulations"** means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- **"Act"** means Companies Act, 2013.

II. RISK POLICY AND PROCEDURES

The Company recognizes the importance of effective risk management in achieving its business objectives and ensuring sustainable growth. In accordance with applicable SEBI LODR Regulations, the Company has established a framework to identify, assess, monitor, and mitigate risks that may impact its operations or performance.

As per the provisions of the SEBI LODR Regulations, a listed company shall lay down procedures to inform Board members about risk assessment and minimization.

Key risks include regulatory changes, competition, business and economic conditions, technology, investments, talent retention, and operational expansion. These risks are periodically reviewed, and appropriate mitigation measures are implemented to minimize their impact.

The Board of Directors is regularly informed of the Company's risk profile and mitigation strategies. A designated Committee/Sub-Committee of the Board oversees the implementation and effectiveness of the Risk Management Policy and reviews the same from time to time to ensure a robust risk management framework.

III. RISK MANAGEMENT FRAMEWORK

The company adopts a systematic approach to mitigate risks associated with the achievement of organizational objectives, operations, revenues, and regulatory compliance. We believe that a proactive risk management framework enables timely identification of risks, implementation of mitigation measures, and effective achievement of the Company's stated objectives.

The Company's objectives are viewed in the context of four categories:
(i) Strategic,
(ii) Operations,
(iii) Reporting, and
(iv) Compliance.

The risk management framework encompasses activities across all levels of the organization, namely
(i) Enterprise Level,
(ii) Division Level,
(iii) Business Unit Level, and
(iv) Subsidiary Level.

The framework comprises eight interrelated components that drive Enterprise-Wide Risk Management, with a focus on three key elements:
(i) Risk Assessment,
(ii) Risk Management, and
(iii) Risk Monitoring.

The Board of Directors is responsible for the overall oversight and monitoring of the risk management process. To support the Board, each business function/department designates a representative not below the level of Manager as a **Risk Management Expert**, responsible for ensuring compliance with the Risk Management Policy, timely identification of risks, and development of appropriate risk mitigation plans in coordination with the concerned personnel.

IV. RISK IDENTIFICATION

The Company follows a continuous process for identifying and assessing events that may adversely impact its ability to achieve strategic, operational, financial, and compliance objectives. Key

processes across the organization have been identified, and critical activities within these processes are evaluated for risk assessment purposes.

Risks, risk events, and their interrelationships are identified through discussions with risk owners and supported by the analysis of relevant data, internal audit reports, historical incidents, and other available information. This structured approach enables timely identification of potential risks and facilitates the implementation of appropriate mitigation measures.

V. RISK ANALYSIS AND ASSESSMENT

Risk analysis involves evaluating existing controls and assessing risks based on their likelihood of occurrence and potential impact. The Company considers the range of possible consequences arising from identified risks and the probability of such events occurring. By combining the assessment of likelihood and impact, an overall risk rating is determined.

Risk assessment enables the Company to prioritize and rank risks based on predefined criteria, facilitating the development of appropriate risk mitigation plans and helping the Company effectively pursue opportunities while achieving its organizational objectives.

VI. ORGANIZATIONAL OBJECTIVES

Strategic Objectives:

- Achieving sustainable organizational growth.
- Expanding and strengthening the product portfolio.
- Building and maintaining strong customer relationships.
- Expanding presence in existing markets and entering new geographies.
- Enhancing industry expertise and competitiveness.
- Strengthening capabilities through technology partnerships and in-house innovation.

Operational Objectives:

- Consistent revenue growth and profitability.
- Improved productivity and operational efficiency.
- Promoting a culture of innovation.
- Attracting, developing, and retaining talented human resources.

Reporting Objectives:

- Maintaining high standards of corporate governance, transparency, and public disclosures.

Compliance Objectives

- Ensuring adherence to applicable laws, regulations, policies, procedures, and industry standards.

VII. RISK REPORTING MECHANISM

Identified risks, their potential exposure, and corresponding mitigation plans are periodically reviewed and reported by the designated Risk Management Expert to the Audit Committee and the Board of Directors.

The Risk Management Expert submits quarterly reports on compliance with the Risk Management Policy and the effectiveness of risk mitigation measures. The Board is responsible for overseeing and reviewing the Company's overall risk management framework.

VIII. RISK MANAGEMENT AND MONITORING

Risk management and monitoring are continuous processes aimed at identifying, evaluating, controlling, and mitigating risks arising from business activities or external factors. Regular monitoring enables timely corrective action and ensures effective management of emerging risks.

Key Risks and Mitigation Measures:

1. **Business Dynamics Risk**

Risk: Variations in market demand and supply.

Mitigation:

- Demand forecasting based on historical trends and market analysis.
- Production and supply planning aligned with anticipated demand.

2. **Business Operations Risk**

Risk: Risks relating to organizational structure, production processes, productivity, business interruptions, adverse market conditions and profitability.

Mitigation:

- Clearly defined organizational structure and reporting mechanisms.
- Effective communication and information flow across departments.
- Succession planning through second-line leadership positions.
- Adequate inventory management to ensure uninterrupted production.
- Backup power generation facilities.
- Strong human resource practices and employee relations.

3. **Financial and Liquidity Risk**

Risk: Financial solvency, liquidity management, borrowing capacity, cash flow management, and financial results incorrectly accounted for or disclosed.

Mitigation:

- Robust financial planning and budgeting processes.
- Effective cash flow forecasting, regular variance analysis and working capital management to maintain adequate liquidity and meet financial commitments in a timely manner.

- Robust capital allocation and investment evaluation framework, including periodic review of capital expenditure and investment returns.
- Appropriate hedging and banking arrangements for foreign exchange exposures.
- Strong internal financial controls, periodic audits, and oversight by the management and Audit Committee to ensure accurate financial reporting and regulatory compliance.

4. **Credit Risk**

Risk: Delays or defaults in customer payments, Provision for bad and doubtful debts.

Mitigation:

- Credit assessment procedures for customers.
- Provisioning for bad and doubtful debts.
- Effective receivables monitoring and recovery mechanisms.
- Appropriate recovery management and follow up.

5. **Logistics Risk**

Risk: Dependence on external transportation and supply chain disruptions.

Mitigation:

- Engagement of reliable logistics service providers.
- Evaluation of in-house logistics capabilities, where feasible.
- Optimization of transportation modes.
- Comprehensive transit insurance coverage.

6. **Market and Industry Risk**

Risk: Fluctuations in demand, supply, raw material prices, availability, and interest rates.

Mitigation:

- Procurement from multiple suppliers.
- Development of alternate sourcing arrangements.
- Production planning based on market trends.
- Strong inventory management and control systems.

7. **Human Resource Risk**

Risk: Employee attrition, skill shortages, industrial unrest, workforce disruptions, inadequate succession planning, inappropriate work culture and ethics, inefficient whistle blower mechanism, and inappropriate policy for woman safety at workplace.

Mitigation:

- Structured recruitment and talent management processes.
- Performance appraisal and reward systems.
- Continuous learning and skill development programs.
- Employee welfare initiatives and constructive employee relations.

- Robust succession planning framework, including identification and development of critical talent for key leadership and operational roles.
- Well-defined Code of Conduct and ethics policies, supported by regular training and awareness programs.
- Effective whistle blower mechanism with confidential reporting channels, protection against retaliation, and periodic monitoring by the Audit Committee.
- Comprehensive Prevention of Sexual Harassment (POSH) Policy, regular awareness sessions, constitution of the Internal Committee, and prompt redressal of complaints.

8. **Disaster Risk**

Risk: Natural disasters such as fire, floods, earthquakes, and other unforeseen events.

Mitigation:

- Adequate insurance coverage for assets and operations.
- Installation of fire protection and safety systems.
- Regular safety drills and emergency preparedness training.
- Employee welfare and social security coverage.
- Periodic risk assessments by independent professionals.

9. **Information System Risk**

Risk: System failures, data integrity issues, cybersecurity threats, and operational disruptions.

Mitigation:

- Continuous monitoring and upgrading of IT systems.
- Access controls and password-protected environments.
- Use of licensed software and secure technology infrastructure.
- Strong data security and information protection measures.

10. **Legal and Compliance Risk**

Risk: Contractual liabilities, litigation, fraud, intellectual property issues, insurance matters, and regulatory non-compliance.

Mitigation:

- Engagement of legal professionals and advisors for contract review and compliance management.
- Robust compliance monitoring framework.
- Periodic secretarial and compliance audits.
- Quarterly compliance certifications by functional heads for Board review.
- Continuous monitoring of applicable laws and regulatory requirements.

IX. REVIEW AND AMENDMENT

The Board of Directors, or any duly authorized Committee thereof, may amend, modify, suspend, or rescind this Policy from time to time in accordance with applicable laws and business requirements.

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Any subsequent amendment/modification in the Companies Act, 2013 or the Rules framed thereunder or the SEBI LODR Regulations and/or any other laws in this regard shall automatically apply to this Policy.

X. CONFLICT IN POLICY

Any interpretation, clarification, or resolution of difficulties arising under this Policy shall be undertaken by the Board or the authorized Committee in line with the underlying objectives of the Policy. In the event of any inconsistency between this Policy and applicable laws or regulations, the provisions of such laws and regulations shall prevail.

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