GRAVITY (INDIA) LIMITED

RISK MANAGEMENT POLICY

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1. PREAMBLE

This Risk Management Policy ("Policy") of **Gravity (India) Limited** ("the Company") has been formulated pursuant to Regulation 17(9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 134(3)(n) of the Companies Act, 2013.

The Company recognizes that risk is an inherent component of business activities and effective risk management is essential for achieving its objectives and ensuring long-term sustainability.

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2. OBJECTIVE

The objectives of this Policy are to:

- Establish a structured and disciplined approach to identify, assess, monitor, and mitigate various risks.
- Promote a risk-aware culture within the Company.
- Safeguard shareholders' interests, protect assets, and ensure compliance with laws and regulations.
- Assist the Board in fulfilling its oversight responsibilities relating to risk management and internal control systems.

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3. SCOPE AND APPLICABILITY

This Policy applies to all departments, divisions, business units, and functions of **Gravity (India) Limited**.
It covers strategic, operational, financial, compliance, reputational, environmental, and other risks that may impact the Company's objectives.

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4. RISK GOVERNANCE STRUCTURE

A. Board of Directors

- Has overall responsibility for overseeing the Company's risk management framework.
- Reviews and approves the Risk Management Policy and ensures that appropriate systems are in place.
- Evaluates the adequacy and effectiveness of the risk management system periodically.

B. Audit Committee

- Monitors and reviews the risk management framework and internal control processes.

- Ensures that management implements risk mitigation plans effectively.
- Reviews risk reports periodically and advises the Board on significant risk exposures.

C. Senior Management

- Identifies key risks in respective operational areas and develops mitigation strategies.
- Implements risk management practices and reports significant risks to the Audit Committee.
- Ensures risk awareness among employees and maintains internal controls.

D. Risk Management Team / Officer

- Coordinates the risk identification and assessment process across departments.
- Maintains the risk register and ensures ongoing monitoring of key risks.
- Facilitates reporting of emerging risks and risk mitigation performance.

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5. RISK IDENTIFICATION AND CLASSIFICATION

The Company identifies risks under the following broad categories:

Category	Description	Examples
Strategic Risk	Risks arising from adverse business decisions or lack of response to industry changes	Change in government policy, market dynamics
Operational Risk	Risks arising from inadequate or failed internal processes, systems, or human errors	Supply chain failure, manpower shortage
Financial Risk	Risks related to financial losses, credit exposure, liquidity, and interest rate changes	Debtor default, forex fluctuations
Compliance Risk	Risks arising from failure to comply with laws, regulations, and internal policies	Non-compliance with SEBI or ROC regulations
Reputational Risk	Risks impacting brand image or stakeholder confidence	Product quality issues, governance lapses
Environmental & Safety Risk	Risks associated with environmental regulations, safety, and sustainability	Factory accident, pollution norms breach
IT & Cybersecurity Risk	Risks arising from data loss, system failure, or cyber threats	Unauthorized access, data breach

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6. RISK ASSESSMENT

Each identified risk is assessed based on:

- **Likelihood / Probability** of occurrence

- **Impact / Severity** on business objectives

A **Risk Matrix** may be used to categorize risks as High, Medium, or Low to prioritize management actions.

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7. RISK MITIGATION AND CONTROL

The Company adopts a combination of the following strategies for managing risks:

- **Avoidance:** Discontinuing activities that expose the Company to excessive risk.
- **Reduction:** Implementing controls to reduce likelihood or impact.
- **Sharing / Transfer:** Using insurance or outsourcing to share risk.
- **Acceptance:** Tolerating risk when cost of mitigation exceeds benefit.

The management develops **Risk Mitigation Plans (RMPs)** for significant risks and monitors progress periodically.

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8. MONITORING AND REPORTING

- Key risks and mitigation actions are reviewed by the Audit Committee at least once a year.
- The Company maintains a **Risk Register** recording identified risks, their severity, and mitigation status.
- Any material change in risk profile shall be promptly reported to the Board.

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9. BUSINESS CONTINUITY AND CRISIS MANAGEMENT

The Company shall maintain systems and contingency plans to ensure continuity of critical operations during unforeseen disruptions (e.g., natural disasters, IT failures, pandemic events, etc.).

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10. REVIEW OF THE POLICY

This Policy shall be reviewed by the Audit Committee and the Board periodically, at least once every three years, or whenever required due to changes in laws or business circumstances.

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11. DISCLOSURE

The Policy shall be uploaded on the Company's website: **Gravity India Limited** and disclosed in the Board's Report pursuant to Section 134(3)(n) of the Companies Act, 2013.

For and on behalf of Gravity (India) Limited