ROYAL CHAIN LIMITED
(FORMERLY KNOWN AS ROYAL CHAIN PRIVATE LIMITED & ROYAL CHAINS PRIVATE LIMITED)
GST : 27AAGCR6146R1ZL CIN : U74120MH2013PLC247888
Registered Office : 1st Floor, 127/129, Office No. 101/102,Royal House, Shaikh Memon Street,
Zaveri Bazaar, Kalbadevi,Mumbai - 400002. Maharashtra.

RISK ASSESSMENT AND MANAGEMENT POLICY

RISK ASSESSMENT AND MANAGEMENT POLICY

[Pursuant to Regulation 17(9) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 134(3) of the Companies Act, 2013]

A. PREAMBLE:

The Board of Directors has adopted the following policy and procedures with regard to risk management. This document lays down the framework of Risk Management at Royal Chain Limited ("the "**Company**") and defines the policy for the same. It seeks to identify risks inherent in any business operations of the Company and provides guidelines to define, measure, report, control and mitigate the identified risks. It serves to facilitate proactive identification, assessment, and management of risks in accordance with the Company's business objectives. Further, this Policy establishes and implements a robust risk management framework and stipulates regular reporting to the Board on the framework's performance and any associated exceptions.

B. DEFINITIONS AND INTERPRETATIONS:

a) "Board of Directors" or "Board"-

Means the collective Board of Directors of the Company as defined under Section 2(10) of the Companies Act, 2013, as amended.

b) Audit "Committee"-

Means the Audit Committee of the Board of Directors of the Company constituted under the provisions of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("**SEBI Listing Regulations**").

C. APPLICABILITY:

This policy applies to all the areas of the Company's operations.

D. SCOPE:

The Risk Assessment and Management Policy ("**Policy**") outlines the guiding philosophy of the Company with respect to identifying, analyzing, and prioritizing risks, formulating risk mitigation strategies, and reporting on the Company's overall risk landscape. This Policy applies to all functions, departments, and geographical locations of the Company.

E. OBJECTIVE:

The objective of this Policy is to manage the risks involved in all activities of the Company to maximize opportunities and minimize threats. This Policy sets forth a comprehensive framework for effective risk management, as mandated by the Companies Act and in accordance with the SEBI Listing Regulations. Through this Policy, the Company aims to implement a robust mechanism for the periodic identification, reduction, mitigation, and management of potential risks.

The key objectives of this Policy include but are not limited to the following:

a) Safeguard the Company's assets and protect the interest of all stakeholders.
b) Establishing a structured framework for identification, measurement, evaluation, mitigation and reporting of various risks.
c) Foster a culture, processes and structures that are directed towards the effective management of potential opportunities and adverse effects, which the business and operations of the Company are exposed to.
d) Maintain an appropriate balance between the cost of managing risk and the anticipated benefits.
e) To create awareness among the employees to assess risks on a continuous basis and develop risk mitigation plans in the interest of the Company.
f) Provide a system for setting of priorities when there are competing demands on limited resources.

F. RISK MANAGEMENT FRAMEWORK:

The Board's role is to ensure framing, implementing and monitoring risk management plan and systems for risk management as part of internal controls. The Audit Committee shall periodically evaluate the internal financial controls and risk management systems.

G. RISK MANAGEMENT PROCESS:

Care should be taken that no entrepreneurial activity can be undertaken without assumption of risks and associated profit opportunities. The Company follows a risk management framework designed to identify, evaluate, and minimize potential risks, thereby enabling management to make informed decisions. Broad outline of the framework is as follows:

a) Risk identification:

Management identifies potential events that may positively or negatively impact the Company's ability to execute its strategy and achieve its objectives and performance goals. Each identified risk or negative event is assigned a unique identifier. The identification process is conducted comprehensively to encompass all operational and support functions. Subsequently, a consultative Root Cause Analysis is undertaken to trace the underlying reasons or drivers behind each identified risk, thereby facilitating the development of effective mitigation actions.

Risks may be structured as follows for the purpose of their identification and evaluation:

Name of Risk	Title or brief description of the identified risk
Scope of Risk	Qualitative overview of the risk which will include potential events, type, frequency, etc.
Nature of Risk	Classification of risk as strategic, operational, financial or hazard related
Risk Assessment	Evaluation of the risk based on its significance and probability of occurrence
Risk treatment and control measures	Measures taken to control or mitigate the impact, including assessment of loss and financial potential
Action for improvement	Steps that will be taken to enhance risk management
Strategy for development	Recommendations and initiatives to further reduce and manage the risk
Risk tolerance	Acceptable level of risk exposure

b) Risk Assessment:

The management employs both qualitative and quantitative approaches to assess the potential impact of each identified risk. The likelihood of a risk occurring within a specific period is estimated using expert opinion and analysis of past events and data. The impact assessment evaluates the potential consequences of the risk on key business parameters such as cost, revenue, and profitability in the event the risk materializes. These evaluations are combined to derive a composite score for each risk, which is systematically recorded in the Company's Risk Register ("RR"). Each risk is assigned measurable values for both *Impact* and *Likelihood* on a scale of 1 to 3, providing a structured basis for prioritizing and managing risks effectively.

The resultant Action Required is derived based on the combined effect of Impact & Likelihood and is quantified as per the summary below.

Impact	Score	Likelihood
Minor	1	Low
Moderate	2	Medium
Significant	3	High

c) Risk Classification:

The identified risks are further categorized into Internal and External Risks and may include, without limitation, the following:

- **Internal Risks:**

i) Technological Risks:

The Company acknowledges that technology can quickly become outdated, especially in the fast-changing media and entertainment industry, which is shifting from physical to digital media. Technological risks are regularly reviewed, and investments are made to keep up with current technologies.

ii) Strategic Business Risks:

The Company is aware that unanticipated shifts in fashion trends, fluctuations in the prices of gold, diamonds, and other precious metals or stones, and increased competition in the market can impact sales and margins. Expansion into new markets or product lines may also involve risks related to customer acceptance, regulatory compliance, and operational execution. To manage these strategic risks, the Company emphasizes effective strategic planning, continuous market research, and maintaining a diversified product portfolio, enabling informed decision-making and supporting long-term business growth.

iii) Legal, Regulatory and Compliance Risks:

The Company is subject to legal, regulatory and compliance risks. The Company is also required to avail various approvals, licenses, registrations and permissions for its business activities and each regulatory authority may impose its own requirements or delay or refuse to grant approval. To mitigate these risks, the Company engages experienced professionals and advisors who evaluate contractual risks, ensure compliance with applicable laws, limit liabilities, and safeguard adherence to contractual commitments.

iv) Human Resource Risks:

Human capital is one of the most essential components for the survival and growth of the business. It adds value to all Company divisions by ensuring that the right personnel are assigned to appropriate roles, fostering growth, and contributing to organizational excellence. Human resource risks are managed by giving all employees equal opportunities, creating a sense of belonging towards the Company, and providing training to the employees. Employees are encouraged to share ideas for innovation, cost savings, and other improvements.

- **External Risks:**

i) Economic Environment and Market Risks:

Factors such as political or regulatory actions, social unrest, natural disasters, interest rates, commodity prices, and terrorist activities can impact business. Changes in economic liberalization policies, foreign investment regulations, or currency exchange rules may affect operations.

ii) Competition Risks:

Competition from new and existing players may increase demand for limited content, raising acquisition costs. Prices for commercially attractive content may rise due to scarcity.

iii) Government Policies and Political Risks:

Government policies, taxation, social or civil unrest, and political developments can affect business and share prices. Proposed changes, such as the Direct Tax, may alter the taxation regime and incentives, impacting operations. Any significant change in economic liberalization or deregulation policies could disrupt business conditions.

d) Risk Prioritization:

Based on their composite scores of likelihood and impact, risks are prioritized for mitigation, allowing management to focus on the most significant risks. Progress and actions taken are regularly reported to senior management and the Board.

e) Risk Mitigation Plan:

Management develops appropriate responsive actions upon review of various alternatives, costs and benefits, with a view to managing identified risks and limiting the impact to tolerance level. The Risk Mitigation Plan drives policy development as regards risk ownership, control environment, timelines, standard operating procedure etc.

Risk Mitigation Plan is the core of effective risk management. The mitigation plan covers:

1. Required Action
2. Required Resources
3. Responsibilities
4. Timing
5. Performance Measures and
6. Reporting and Monitoring requirements

f) Risk Monitoring:

It is designed to assess on an ongoing basis, the functioning of risk management components and the quality of performance over time. Staff members are encouraged to carry out assessments throughout the year.

g) Risk Reporting:

Periodically, key risks are reported to the Board or the empowered committee with causes and mitigations undertaken / proposed to be undertaken.

H. RISK MANAGEMENT FRAMEWORK AND ROLE OF THE RISK MANAGEMENT COMMITTEE

a) Constitution of the Committee

The Committee shall be established by the Board and shall have a minimum of three members with a majority of them being members of the Board, including at least one Independent Director.

Note: Pursuant to Regulation 21(5) of the SEBI Listing Regulations, the requirement to constitute a Risk Management Committee applies only to the top 1,000 listed entities (determined on the basis of market capitalisation as at the end of the immediately preceding financial year) and high value debt listed entities. As the Company is currently at the pre-listing / IPO stage and may not fall within the above thresholds immediately upon listing, the Board has resolved to constitute the Risk Management Committee on a voluntary basis in furtherance of sound corporate governance practices. The applicability of Regulation 21 shall be reviewed by the Board promptly upon listing and thereafter at the beginning of each financial year, and the Committee shall be reconstituted as a statutory requirement if and when the Company falls within the prescribed thresholds.

The chairperson of the Committee shall be a Director.

The Committee shall meet at least twice in a financial year, and not more than 210 days shall lapse between any two consecutive meetings.

The quorum for a meeting of the Committee shall be either two members or one-third of the members of the Committee, whichever is higher, including at least one Director.

b) Role of the Committee

1. Policy formulation and review:

The Committee may, at its discretion and within the framework of this Policy, establish a policy or set-up for identifying internal and external risks (financial, operational, sustainability-related, information, cyber security, and others), measures to mitigate those risks, and a business continuity plan.

The Committee shall review the adequacy of this Policy at least once every two years, taking into account evolving regulatory landscape, industry trends, complexities, and sectoral developments.

2. Risk identification, monitoring and mitigation:

The Committee shall review the implementation of this Policy and evaluate the adequacy of risk management systems.

The Committee shall review and finalise the risk tolerance and appetite levels, including inherent, residual and contingent risks.

3. Information to the Board:

The Committee shall regularly apprise the Board of the recommendations discussed in its meetings, and actions taken by it. Major decisions affecting the organization-wide risk profile shall also be communicated promptly to the Board.

The Committee shall provide a report to the Board on a bi-annual basis, that includes:
Key risks identified and their potential effects on the Company and its stakeholders.

Measures adopted or proposed by the Committee to mitigate and manage those risks.

An outlook highlighting forthcoming or emerging risks in the next quarter.

The Committee may also periodically liaise with the audit committee of the Board to address any financial or compliance risks identified.

The Committee may consult any employee, obtain external expertise or professional advice, and coordinate with other committees, as necessary for performing its functions, or to determine the relevance and levels of risk.

The Committee may recommend the appointment, removal, and terms of remuneration for a Chief Risk Officer (if required), to the Board.

I. PERIODICAL REVIEW OF EFFECTIVENESS:

The effectiveness of the Company's Risk Management Framework is regularly assessed and examined through internal audits, which provide assurance to the Audit Committee that critical processes are functioning as intended, key reports and metrics are reliable, and established policies are being followed. Given that risk exposures can change over time due to evolving business and market conditions, this Policy is reviewed and updated as needed to ensure it remains relevant and effective in managing the Company's risks.

J. AMENDMENTS, MODIFICATIONS AND WAIVERS:

This Policy may be amended or revised from time to time to ensure its continued relevance and effectiveness. Changes in the business environment, regulatory requirements, or organizational structure may necessitate amendments to the Policy. Any amendments will be reviewed and approved by the Board or an authorized committee. Employees and relevant stakeholders will be informed of updates to ensure awareness and compliance. The Company will maintain a record of all amendments, including the date of approval and a summary of changes, to ensure transparency and proper governance.

K. APPROVAL AND DISSEMINATION OF THE POLICY:

The Board will be the approving authority for the Company's overall Risk Management System. The Board will, therefore, approve the Risk Management Policy and any amendments thereto from time to time. The Policy shall be disclosed in the Annual Report of the Company, as per the provisions of law in force. The Policy shall also be uploaded on the website of the Company.

Effective Date:
Date of approval by the Board: 8th September, 2026

Sd/-
Chairman Signature

****