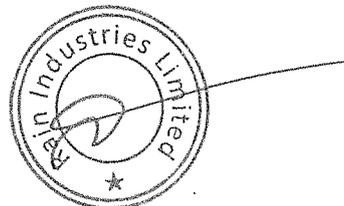


RAIN INDUSTRIES LIMITED

RISK MANAGEMENT POLICY



RAIN INDUSTRIES LIMITED

Regd. Off: Rain Center, 34, Srinagar Colony, Hyderabad - 500073, Telangana State, India. CIN:
L26942TG1974PLC001693

RISK MANAGEMENT POLICY

1. Introduction

Risk evaluation and management is a valuable tool in the decision-making process. Identification of risks and taking effective steps for mitigation of risks will result in substantial saving.

2. Business Profile

Rain Industries Limited (herein after referred to as Rain/Company) a Company incorporated under the Companies Act, 1956 and having its Registered office at “Rain Center”, 34, Srinagar Colony, Hyderabad – 500 073, Telangana State, India. Rain is the ultimate holding Company of Rain Group. Rain is engaged in the business of Trading of Green Petroleum Coke, Providing Shared Services to Subsidiary Companies and made investments in Subsidiary Companies in India and outside India. Rain’s subsidiary Companies are engaged in the business of Manufacturing and Sale of Cement, Calcined Petroleum Coke, Coal Tar Pitch, Chemicals and Generation of Power in India and outside India.

3. Constitution of Risk Management Committee:

i) Composition

The Risk Management Committee shall consist of minimum three Directors with at least one member being an Independent Director. .

The Chairman of the Risk Management Committee shall be elected by its members from amongst themselves.



ii) Quorum

The Quorum for the meeting of the Risk Management Committee shall be a minimum of two members or 1/3rd of the Members of the Risk Management Committee, whichever is higher.

iii) Meetings

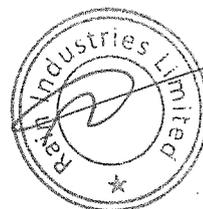
The Committee shall meet at least two times a year. The gap between two meetings shall not exceed 210 days.

iv) Secretary

The Company Secretary shall act as Secretary to the Committee.

v) Role and Responsibilities of the Committee

1. To formulate a detailed Risk Management Policy which shall include:
 - a. A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, Environment, Social and Governance related risks), information, cyber security risks or any other risk as may be determined by the Committee.
 - b. Measures for risk mitigation including systems and processes for internal control of identified risks.
 - c. Business continuity plan.
2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
4. To periodically review the risk management policy, at least once in two



years, including by considering the changing industry dynamics and evolving complexity;

5. To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken;
6. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee;
7. The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the Board of Directors.

vi) Powers

The Risk Management Committee shall have the following powers:

1. To seek information from any employee; and
2. Obtain outside legal or other professional advice and Secure attendance of outsiders with relevant expertise if it considers necessary.

4. Reporting

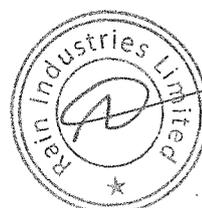
The Committee shall report on its activities and summarize any recommendations to the Board.

5. The Company is exposed to following Risks

A) Industry Risks

These risks broadly relate to the Company's business or industry namely:

- Economic risks
- Market Structure
- Business dynamics
- Competition risks affecting tariffs, prices, costs, revenues and



- customer preferences.
- Political risks due to uncertainty in a country or major policy changes.

Risk Mitigation Measures adopted by the Company.

These risks are external risks on which Company have no control. But Company with the experience gained during the past is able to predict certain changes in the market and taking measures to overcome from such adverse situation.

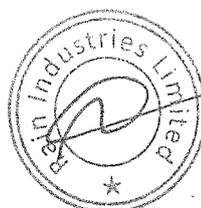
Following are the Risk mitigation measures adopted by the Company to mitigate the external risks:

- The Company and Subsidiary Companies sell in different markets to have the advantages of shifting from one market to other market (where prices are stable or increasing);
- The Company and Subsidiary Companies are taking effective steps for reduction of cost of production by increasing the efficiency in operation by adopting new technology;
- The Company and Subsidiary Companies are changing the various product mixes to meet the specifications of the customers from time to time; and
- The Company and Subsidiary Companies from the experience gained from the past is able to predict the Demand in an area during particular month and accordingly the supply of product is diverted from one area to another.

B) Business Operations Risks

These risks relate broadly to the Company's organization and management such as planning, monitoring and noncompliance with the rules and regulations in the day-to-day management process namely:

- Risk of business interruption due to plant operations failure;
- Risk of business interruption due to Noncompliance with legal requirements;
- Nonconformance of product quality requirements;



- Noncompliance with Safety, Health & Environmental regulations;
- Challenge of inventory management and procurement of requisite quantity and desired quality of raw material at a competitive price, due to strain on existing sources and increased supplier power; and
- Foreign Exchange Management
- Refinancing of Rupee Term Loan / Liquidity at Rain Industries Limited

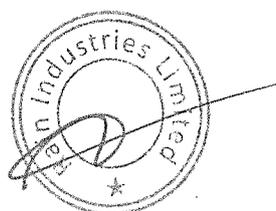
Risk Mitigation Measures adopted by the Company.

Following are the Risk mitigation measures adopted by the Company to mitigate the risks relating to the Business Operation:

- Preventive maintenance schedule is being followed to avoid breakdowns;
- Regular Compliances are being done for different parts of the geography where Rain has operating facilities;
- Regular monitoring process is being undertaken to observe any deviation from the standard internal control system and corrective measures are taken; and
- The Company raises Invoices on Subsidiary Companies outside India for services rendered in US Dollars and maintains Exporters Earnings in Foreign Currency (“EEFC Account”) and all remittances of US Dollars are first credited to such EEFC Account. Such US Dollars are converted into Rupees immediately upon receipt to avoid any forex fluctuation impacts.

C) Human Resource Risks

- Inability to recruit and retain talent;
- Joining of wrong candidates with fraudulent data shared;
- No show of selected candidates at the time of joining/offer rejection;

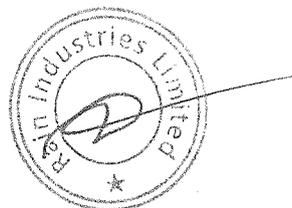


- Risk of employee Data and manpower details;
- Lack of people development initiatives and building incompetency in the system;
- Lack of digital HR processes and systems; and
- Lack of adequate health and wellness initiatives;

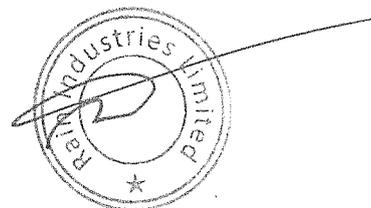
Risk Mitigation Measures adopted by the Company.

Following are the Risk mitigation measures adopted by the Company to mitigate the risks relating to the Human Resources:

- Multiple sources of recruitment methods for identification and selection of right candidates.
- Reputed external recruitment consultants.
- Experienced internal recruiters
- Market competitive compensation for the deserving candidates.
- Compensation benchmarking for critical positions by internationally reputed agencies such as Mercer
- Components such as Joining bonus/retention bonus have been introduced.
- Continuous competency development initiatives both in domain and behavioral areas
- Creating a positive working environment.
- Career and growth opportunities for the key and talented employees.
- Introducing performance linked pay system and Long-Term Incentive (LTI)
- Robust interview process with at least one physical interview methodology.
- Identity validation process.
- Photo taken during interview and validated with the photo at the time of joining.
- Robust background verification process with involvement of multiple background verification partners
- Introduced Background verification process clearance before issuing the offer to mitigate risk.
- Declaration from candidate of termination in case of fraudulent data submission
- Pipeline of shortlisted candidates.



- Build/development of next level as back up.
- Structured leadership development programs for the next level in collaboration with reputed institutions like IIM, as part of succession plan and to build future leaders
- Continuous communication with the candidate offered to understand his/her motive.
- Creation of stronger bench strength
- Would introduce RAG (Red/amber/ Green) analysis to understand probability of leaving the company in the coming months and the hiring plan accordingly.
- Robust IT system to control copy, download employee details.
- Control on sending the details to personal mailboxes and if required with proper authorization.
- Proper custody management of employee files with adequate protection
- Adequate disciplinary action in place to avoid misuse of data access.
- Adequate access control process in Success factor (validated by GIA team), the newly introduced HRMS system, to mitigate the risk of data.
- Robust succession plan and potential appraisal process
- Introduce 360-degree feedback to understand individual's development needs.
- Introducing structured leadership and competency development programs at all levels
- Proper ecosystem of talent development framework
- Tie up for higher education with academic institutions and relevant training academies.
- Develop internal Subject Matter Experts (SME) and utilize them for developing internal people.
- Cadre building program to build capability in the system.
- Leadership development programs for would be and new Managers.
- Implement integrated HRMS systems (SuccessFactor) and orient users to use it to the fullest.
- Introduce different dashboards to track various parameters.
- Introducing other digital systems such as Visitor Management System (Hipla) and security systems
- Implement paperless HR except in statutory areas.
- Introduce pre-employment and an annual medical checkup for the employees and regular review of the areas concerned.



- Regular medical camps and awareness programs especially on lifestyle diseases and mental health
- Vaccination programs for employees
- Introduce paternity and child adoption leaves.
- Tie up with gyms and creche for better work life elements.

D) Market Risks

These risks relate to market conditions namely:

i) Carbon Products

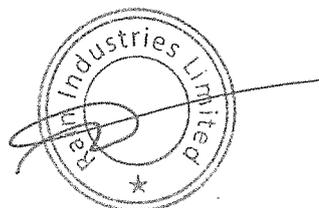
- Procuring adequate Green Petroleum Coke for Calcination;
- Impact of Geopolitical events on Green Petroleum Coke Supply Chain; and
- Power exchange prices can tend to be volatile and decrease over the medium to long-term considering the demand supply aspect.

ii) Cement

- Inability to sell the entire production / utilise full capacity post expansion;
- Inability to establish and maintain competitive advantage in future;
- Challenge of inventory management and procurement of requisite quantity and desired quality of raw material at a competitive price, due to strain on existing sources and increased supplier power; and
- Low-Capacity utilization and high input cost.

iii) Chemicals

- Commodities risk resulting from changes in market prices for purchase of raw material; and
- Low demand from manufacturing sector represents the primary customer base for chemical business.



Risk Mitigation Measures adopted by the Company.

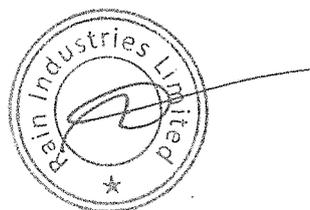
Following are the Risk mitigation measures adopted by the Company to mitigate the risks relating to the Market:

i) Carbon Products

- Long term contract with suppliers in China, Middle East and South America. We are currently pursuing such long-term contracts with suppliers in Latin America and USA. We also have a long association and relationship with other suppliers all over the world;
- Relationship with and ability to procure from suppliers in different regions of the world gives us the required flexibility. We also have the ability to source from domestic sources; and
- We have a long-term wheeling agreement and accordingly selling power to the existing customers. We have a wide customer base with the ability to add new customers as and when required.

ii) Cement

- By improving the dealer network in unrepresentative areas and also activate / replace inactive dealers;
- By encouraging exclusive dealers and key dealers (volume dealers) by introducing better schemes;
- With the support of SAP, inventories of all materials are monitored on a weekly basis with each of the units and action required to cut down on the inventories is being planned. Plants have been maintaining critical/long lead items required in the inventory.
- Procurement of Raw Materials:
- Singareni Collieries Company Limited has guaranteed 75% commitment of supply of coal against Linkage. However, they are obliging supplies



beyond 75% up to 100% of linkage subject to availability of coal.

- While Unit – 1 governed with the said rule as per Fuel Supply Agreement (FSA) dated 01.04.2019.
- Already using Pet coke to the tune of 26% of our fuel requirement in Unit-II of Line-2. Also using Imported Coal primarily to use low grade limestone and also to reduce cost of fuel. For Unit-I, we continue to use more of Singareni coal which is economical. Also ensuring procurement of high-quality additives like Gypsum, Bauxite and Iron Ore. Since supply sources of Laterite are limited, identified alternate supply point of laterite located far away from the unit, to use them as a standby point.

iii) Chemicals

- Pricing and procurement risks are reduced through worldwide procurement; and
- Improvement in supply network.

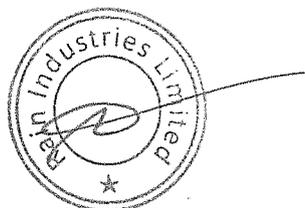
E) Political Risks

These risks relate to Political uncertainties namely:

- Elections
- War Risks
- Country/Area Risks
- Fiscal/Monetary Policy Risks.

Risk Mitigation Measures adopted by the Company.

These are external risks on which Company has no control. These risks are common to every industry. The Management gets updates on change in policy of the Government on the Industry. As per the policy of the Government, the Management of the Company formulates its strategy for its growth.



F) Credit and liquidity Risks

These risks relate to commercial operations namely:

- Working Capital Management

Risk Mitigation Measures adopted by the Company.

Following are the Risk mitigation measures adopted by the Company to mitigate the risks relating to the Credit and liquidity:

- The Company is having adequate working capital limits (Fund based and Non-fund based) to run the business;
- Working Capital Limits (Fund based) are being utilized judiciously to meet the gap between the requirement and availability of funds; and
- Working capital limits (Non-Fund based Bank Guarantee & Letter of Credit). Bank Guarantee's will be utilized to meet the Statutory and Regulatory purposes, whereas Letter of Credit's will be used for Material procurement purpose.

G) Disaster Risks

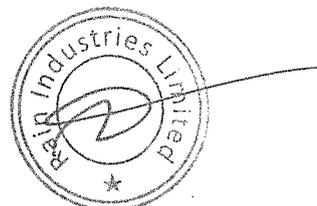
These risks are generally of following nature namely:

- Natural risks like fire, floods, earthquakes, typhoons, etc.

Risk Mitigation Measures adopted by the Company.

Following are the Risk mitigation measures adopted by the Company to mitigate the risks relating to the Disaster:

- Company has insured all its Properties from Natural risks like Fire, Floods, Earthquakes etc;
- Fire Extinguishers at fire sensitive locations have been put up;

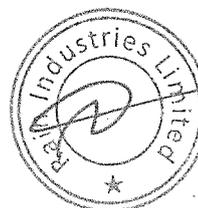


- First aid training to watch and ward staff and safety personnel is given;
- Workmen of the Company are covered under ESI, PF, EPF to meet the events of death, disablement and sickness compensation; and
- The Company personnel are trained regularly for handling such disasters to protect property and human.

H) System Risks

These risks relate to the Company's Information Technology environment namely:

- **Loss of Availability:** If a mission-critical IT system (SAP) is unavailable to its end users, the organization's mission may be affected.
- **Loss of Integrity:** System and data integrity refers to the requirement that information be protected from improper modification. Integrity is lost if unauthorized changes are made to the data or IT system by either intentional or accidental acts.
- **Loss of Confidentiality:** System and data confidentiality refers to the protection of information from unauthorized disclosure.
- **IT Policy and ISO 27K standard:** Lack of Information & Cyber Policy. Lack of a standard information process and policy across the RAIN group.
- **OT Security Policies:** play a crucial role in safeguarding critical infrastructure and industrial systems.
- **Insider Risk Management:** Insider threats are a significant concern in the realm of cybersecurity. These threats arise from individuals within an organization who have authorized access and may intentionally or unintentionally cause harm to the organization's mission, resources, personnel, facilities, information, equipment, networks, or systems.

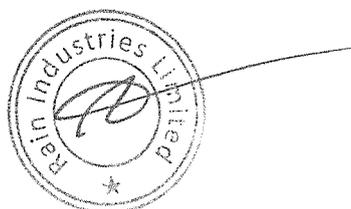


Risk Mitigation Measures adopted by the Company

In the information technology age, every Company is exposed to the risks relating to reliability, data integrity and confidential risks.

Following are the Risk mitigation measures adopted by the Company to mitigate the risks relating to the IT System:

- Entire SAP ERP system runs in parallel in two geographically separate Amazon Web Services cloud data centers in the US (primary site and disaster recovery site) and also in a third data center site in India (as a secondary disaster recovery site);
- A Change Management (CR) process has been implemented and is available through the helpdesk (Zendesk) system;
- All Rain information technology systems are protected by multiple layers of employee training on information security, corporate policies and procedures, and a host of technologies and service providers to monitor and control access and data flows to information within Rain's electronic systems.
- A Governance, Risk & Compliance (GRC) process has been implemented across all Rain group entities via the SAP-GRC module, removing Segregation of Duties (SOD) conflicts from approval processes. The Rain IT-SAP and Finance teams regularly undertake assessments of the Rain subsidiaries to find and remove SOD conflicts. Finance must approve of any SOD conflicts which cannot be resolved;
- Policy development completed across the RIL group globally at all factory sites.
- All employees across the entire group must undergo mandatory cyber and information security threat-awareness and recognition training to reduce human weak points.
- Electronic systems are in place to further protect against electronic threats.



- This risk is being managed in two ways; comprehensive IT Security Policies rollout to prevent internal leaks, and regular and consistent cyber and information security training from the Knowbe4 platform to prevent employees from falling victim to external cyber and information security threats.
- Special training is given to Finance Team and Procurement teams to further mitigate anonymous spam for payment requests.

D) Legal Risks

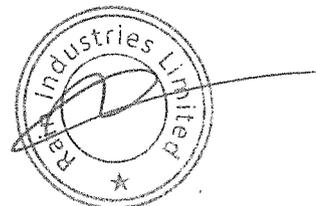
These risks relate to the following:

- Contract Risks
- Contractual Liability
- Frauds
- Judicial Risks
- Insurance Risks

Risk Mitigation Measures adopted by the Company

Following are the Risk mitigation measures adopted by the Company to mitigate the risks relating to the Legal:

- It is ensured that contracts executed with clients and contractors contain a contractual liabilities, deductions, penalties and interest conditions;
- A Legal department has been put in place with the personnel having requisite legal qualifications;
- Conflicts will be resolved as per the advise from legal professionals like Advocates;
- Proper care in terms of reading of different clauses in insurance Policy is being taken while taking insurance on the properties of the Company to avoid any dispute at the time of claim;
- Systems have been put in place to make timely payment of insurance



and full coverage of properties of the Company under insurance;

- Internal control systems are existing in the Company to have proper control on the operations of the Company and to detect any frauds; and
- Internal audit is done by an independent audit firm to ensure whether the operations of the Company are being done in accordance with the defined systems and procedures.

6. Internal Control System

The Company has adequate internal control systems and procedures with regard to purchase of stores, raw materials including components, plant and machinery equipment, sale of goods etc.

The Company has clearly defined roles and responsibilities for all managerial positions and all operating parameters are monitored and controlled.

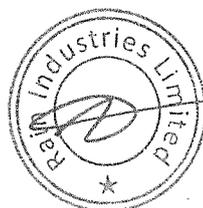
The Senior Management of the Company continually visits the Plants and other operating locations and assesses the Internal Control system and advises for corrective measures if required.

The Company operates its Accounting System under SAP. The Company has Internal Audit Department to review the Internal Control System of the Company. The Internal Audit Department carry out their review process and present their observations in every quarter to the Senior Management, Audit Committee and Board of Directors. Accordingly, necessary actions are being taken to strengthen the system.

7. Review of the Risk Management Procedure

The Risk management procedure shall be reviewed by the Audit Committee and the Board of Directors on a Quarterly basis at the time of review of Quarterly Financial Results of the Company.

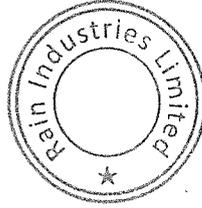
The Risk Management Committee is reviewing the risks and mitigation measures from time to time.



8. Disclaimer Clause

The Management cautions readers that the risks outlined above are not exhaustive. Therefore, readers are requested to exercise their own judgment by assessing various risks associated with the Company.

Place : Hyderabad
Date : February 27, 2026



for Rain Industries Limited

A handwritten signature in black ink, appearing to read "Jagan Mohan Reddy Nellore".

Jagan Mohan Reddy Nellore
Managing Director
DIN: 00017633