



SIGACHI INDUSTRIES LIMITED

CIN : L24110TG1989PLC009497

RISK MANAGEMENT POLICY

Revised Version-June 2025

1. Introduction

Sigachi Industries Limited (“Company”) recognizes risk as an integral component of business and is committed to proactively managing uncertainties and threats that may hinder strategic objectives, operational continuity, compliance, financial performance, and reputation.

This policy provides a structured and consistent framework to identify, assess, mitigate, and monitor risks across the enterprise. It reflects the company’s commitment to embedding risk consciousness across all levels.

2. Purpose

This policy aims to:

- Safeguard stakeholder value by minimizing downside threats and capturing upside opportunities.
- Institutionalize a culture of proactive risk management across departments and geographies.
- Provide a common language and structured process for risk assessment, mitigation, and monitoring.

3. Governance Structure & Responsibilities

Function	Key Responsibilities
Board of Directors	Oversight of risk strategy, risk appetite, and major risk categories.
Audit Committee	Review effectiveness of the risk management framework and mitigation actions.
Chief Risk Officer	Policy implementation, risk integration across functions, quarterly reporting.
Functional Heads / DRIs	Ownership of risk identification, mitigation, and scenario action planning.

4. Risk Appetite & Classification

Sigachi adopts a moderate risk appetite in pursuit of its Panchvridhi growth vision, balancing bold strategic bets with prudential operational discipline.



Registered Office

#229/1 & 90, 2nd Floor, Kalyan’s Tulsiram Chambers, Madinaguda, Hyderabad-49, Telangana State, India.
Customer Service +91 40 40114874-76, E-mail: info@sigachi.com, URL: www.sigachi.com

Corporate Office

Plot No. G57/2, Industrial Park, Sultanpur, Hyderabad, Sangareddy (Dist), Telangana - 502319.
Tel No.: +91-8455-242055 / 56 / 57, E-mail: enquiry@sigachi.com, URL: www.sigachi.com



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Risks are classified under:

- Strategic Risk
- Operational & Production Risk
- Compliance & Legal Risk
- Financial & Reporting Risk
- Reputational & ESG Risk
- Cybersecurity & Technology Risk

Each risk is mapped to a Risk Matrix (Low, Moderate, High, Extreme) and is linked to DRIs and mitigation actions.

5. Risk Management Framework

A. Identification

Risks are identified through internal audits, strategic reviews, business feedback loops, and horizon scanning.

B. Assessment

Likelihood and impact are assessed using a 4x4 Risk Matrix, with scoring to prioritize focus.

C. Mitigation & Scenario Planning

Each risk has a clearly defined action plan, mitigation owners, financial provisioning, and measurable controls. Scenario plans for extreme risks are reviewed annually.

D. Monitoring & Reporting

Risk dashboards and Policy are reviewed at:

- Monthly Ops Reviews (Functional Heads)
- Quarterly Committee Reviews (Audit Committee)
- Annual Risk Management Committee Review

A heat map visualization and update on risk movement is presented at each review cycle.



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6. Key Risks and Mitigation Highlights

(Based on latest matrix and action plans)

Risk Area	Risks	Key Actions	DRI	Risk Champion
Production	Evolving CPCB/PCB norms	Compliance audits, MVRE installation	Unit Heads	Manager Operational Excellence/ GM(Ops)
Operations	Public liability in O&M / Manufacturing	Fire hazard & safety reviews and SOP compliance	Business Head, O&M / Head of Manufacturing	GM(Ops) O&M & DGM(Manufacturing)
Compliance	FDA/regulatory lapses	Proactive QA oversight	Head of Corp Quality	Manager Corp QA
Strategy	Weak growth infra	Future-state org design & hiring	Head HR / CFO (Funding)	Manager Strategy & Ops
Finance	Forex, fraud, leverage	Hedging, credit assessment	CFO	Dy CFO
Cybersecurity	Data breach, malware	IT upgradation, access controls	Manager IT	Dy. Mgr IT
ESG & Reputational Risk	Non-compliance with environmental norms; poor social equity practices	ESG Review, EHS upgrades, DE&I implementation, water-energy intensity targets	Head ESG	ESG Team Member
Safety Risks	Factory fires, dust explosions, unsafe handling of Products, worker injuries	Annual safety audits, MCC dust controls, equipment grounding, fire drills, Instill safety culture in daily works	Head of Manufacturing, Business Head O&M	GM(EHS) and GM(Ops) O&M.

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7. ESG & Cybersecurity Risk Integration

Recognizing global and investor expectations, Environmental, Social, and Governance (ESG) and Cybersecurity risks are explicitly tracked. The ESG Council and IT Governance Team are responsible for updates and mitigation.

8. Risk Management Matrix

The Risk Management Matrix is maintained in a typical format(as below). The Risk Factory, as brought out at Para 6 above reviewed on an annual basis. Low-level risks are monitored but not prioritized for mitigation unless elevated.

RISK MANAGEMENT MATRIX

LIKELIHOOD	CERTAIN	Low	Moderate	High	Extreme	Extreme
	LIKELY	Low	Moderate	High	High	Extreme
	POSSIBLE	Low	Moderate	Moderate	High	High
	UNLIKELY	Low	Low	Moderate	Moderate	Moderate
	RARE	Low	Low	Low	Low	Low
		INSIGNIFICANT	MINOR	SIGNIFICANT	MAJOR	CATASTROPHIC
		SIGNIFICANCE				

9. Policy Review Cycle

This policy is reviewed annually or upon:

- Change in regulatory framework
- Significant incident (internal/external)
- Board/Audit Committee recommendation



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10. Dissemination

This policy is available on the company's intranet and website. All new employees are sensitized during onboarding, and critical updates are shared during functional town halls.

11. Disclaimer

This policy is not exhaustive and is intended to provide broad principles and operating guidance. Situational judgment, ethical leadership, and cross-functional collaboration are expected at all times in managing business risks.



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