

RISK MANAGEMENT POLICY

Formulated pursuant to Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 | Approved by the Board of Directors

1. Objective and Background

Shinox Group Limited ("Company") operates across diverse business verticals including healthcare, banking and financial services, information technology and digital services, global trade, spirits, logistics, and industrial equipment. Given the breadth and complexity of our operations, a structured and disciplined approach to risk management is essential to protect shareholder value, ensure regulatory compliance, and support long-term sustainable growth. This Risk Management Policy ("Policy") has been formulated pursuant to Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in accordance with best practices in enterprise risk management.

2. Risk Management Philosophy

The Company's risk management philosophy is grounded in the following principles:

Risk management is an integral part of strategic planning and business decision-making, not an isolated compliance exercise

Every business function and employee is a risk owner — risk management is not solely the responsibility of a centralised function

The Company seeks to optimise risk-return trade-offs, not eliminate risk entirely

Transparency in risk reporting enables the Board and Management to make informed decisions

The risk framework shall evolve continuously to reflect changes in the business environment, regulatory landscape, and stakeholder expectations

3. Risk Management Committee

The Board of Directors has constituted a Risk Management Committee ("RMC") comprising:

Chairperson: Virendra Pratap Singh, Chairman & Managing Director

Member: Rekha Singh, Director

Member: Alakh Narayan Singh, Director

The RMC shall meet at least twice in each financial year. The quorum shall be one-third of the members or two members, whichever is higher, with at least one Board member present.

4. Risk Categories

4.1 Strategic Risks

Risks arising from the Company's strategic choices, market positioning, competitive dynamics, mergers and acquisitions, geographic expansion, and changes in regulatory policy affecting one or more of the Company's business verticals.

4.2 Financial Risks

Risks related to liquidity and funding, credit concentration, interest rate and currency fluctuations, capital structure, taxation changes, and financial reporting integrity.

4.3 Operational Risks

Risks arising from failures in internal processes, systems, technology, people, or from external events including supply chain disruptions, vendor failures, logistics breakdowns, and industrial accidents across the Company's manufacturing, logistics, and healthcare operations.

4.4 Compliance and Legal Risks

Risks of penalties, litigation, or reputational damage arising from non-compliance with applicable laws across multiple jurisdictions, including SEBI regulations, Companies Act, sector-specific regulations (banking, healthcare, spirits, exports), labour laws, and environmental statutes.

4.5 Reputational Risks

Risks to the Company's brand, public image, or stakeholder relationships arising from corporate conduct, media scrutiny, social media, product quality issues, or ethical lapses.

4.6 Cyber and Technology Risks

Risks arising from data breaches, ransomware, system failures, IT infrastructure inadequacy, and non-compliance with data protection laws including the Digital Personal Data Protection Act, 2023, given the Company's significant IT and digital services operations.

4.7 ESG and Climate Risks

Risks arising from climate change, environmental regulation, resource scarcity, social licence to operate, and changing investor expectations regarding ESG performance. These risks are particularly relevant across the Company's industrial, logistics, and global trade verticals.

5. Risk Management Framework

5.1 Risk Identification

The Company shall maintain a Risk Register that identifies key risks across all business units and functions. Risk identification shall occur through annual strategic planning sessions, operational reviews, internal audit findings, regulatory updates, and industry intelligence.

5.2 Risk Assessment

Each identified risk shall be assessed on two dimensions: (a) Likelihood of occurrence and (b) Potential impact on the Company. Risks shall be categorised as High, Medium, or Low on a risk matrix. High-rated risks shall receive immediate management attention and escalation to the RMC.

5.3 Risk Mitigation

For each material risk, the relevant business unit head shall develop a mitigation plan specifying the control measures, responsible owner, timeline, and key risk indicators. Mitigation strategies may include risk avoidance, reduction, transfer (e.g., insurance), or acceptance.

5.4 Risk Monitoring and Reporting

The RMC shall review the Risk Register and the status of mitigation plans at each meeting. The Chief Financial Officer and Chief Operating Officer shall provide updates on financial and operational risks respectively. An annual Risk Management Report shall be presented to the Board and included in the Annual Report as required under SEBI LODR.

6. Internal Audit

The Internal Audit function shall independently assess the effectiveness of risk management controls and report its findings to the Audit Committee. The Audit Committee shall oversee the adequacy of the risk management framework and co-ordinate with the RMC as required.

7. Roles and Responsibilities

Board of Directors: Approves this Policy; oversees risk management framework

Risk Management Committee: Formulates risk framework; reviews risk reports; recommends enhancements

Audit Committee: Oversees financial risk; reviews internal audit findings

Managing Director: Accountable for enterprise-wide risk management

Business Unit Heads: Identify, assess, and mitigate risks within their domains

All Employees: Report risks and near-misses promptly through designated channels

8. Review

This Policy shall be reviewed at least annually by the RMC and the Board. Amendments shall be uploaded to the Company's website at www.shinox.com as required under SEBI LODR.