

RISK MANAGEMENT POLICY

1. **Purpose** This Risk Management Policy forms an integral part of **M/s Kataline Limited's** (Formerly Kataline Infra-Products Limited) ("the Company") internal control and corporate governance framework. The objective is to identify, evaluate, manage, and mitigate potential risks that could hinder the Company's operations, reputation, or ability to achieve its objectives.

2. **Regulatory Framework** This policy is framed in compliance with:
 - Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR");
 - Schedule II, Part C of SEBI LODR Regulations;
 - Other applicable statutory and regulatory provisions.

3. **Risk Management Principles** The Company's approach to risk management is guided by the following key principles:
 - The Board and senior management are responsible for establishing the tone and culture of risk management.
 - Risk management shall be proactive, structured, and continuously evolving.
 - All employees are responsible for managing risks in their respective areas.
 - Both financial and non-financial risks—including strategic, operational, compliance, ESG, cybersecurity, and reputational risks—are considered.
 - Risk awareness and communication are embedded in the corporate culture.

4. **Constitution of Risk Management Committee (RMC)** In accordance with Regulation 21 of SEBI LODR, the Company is not required to constitute a Risk Management Committee (RMC). However, if needed, the company will constitute committee consisting of:
 - Chairperson (Non-Executive Director or Independent Director)
 - Whole-time Director(s)
 - Chief Financial Officer
 - Any other member(s) as the Board may deem fit

Terms of Reference of RMC:

 - To monitor and review the risk management plan and practices of the Company.
 - To evaluate the Company's risk appetite.
 - To formulate strategies for mitigation of key risks.
 - To report to the Board periodically.

5. Role of the Board The Board is responsible for:
 - Approving the risk management framework and overseeing its implementation.
 - Defining risk appetite and thresholds.
 - Reviewing key risks and mitigation strategies.
 - Approving major decisions impacting the Company's risk profile.
6. Role of Senior Management and Key Personnel
 - Ensure implementation of the risk management framework and policies.
 - Continuously assess, manage, and report risks to the RMC.
 - Maintain a risk register and update it regularly.
 - Communicate risk mitigation plans and promote a risk-aware culture.
7. Risk Management Framework The Company follows a structured risk management process:
 - Identification of strategic, operational, financial, ESG, and compliance risks.
 - Assessment of risks based on impact and likelihood.
 - Development and implementation of risk mitigation measures.
 - Monitoring of risks and reporting deviations.
 - Periodic testing and updating of risk controls.
8. Monitoring and Reporting
 - The RMC shall meet as and when needed to review and monitor risk exposure.
 - The status of key risks and mitigation measures shall be presented to the Board.
 - Any material change in the risk profile must be reported to the Board immediately.
9. Disclosure
 - This policy shall be disclosed on the Company's website.
 - A web link to the policy shall be provided in the Annual Report.
 - Disclosures relating to the composition and functioning of the Risk Management Committee shall be made in the Corporate Governance section of the Annual Report.

10. Annual Review

- The Board shall review the effectiveness of the risk management framework annually.
- The review shall assess the internal control environment, emerging risks, adequacy of mitigation measures, and alignment with business strategy.

11. Amendments The policy shall be periodically reviewed and updated by the Board in line with changes in regulatory requirements or business dynamics.
