

JTPM METAL TRADERS LIMITED

Registered Office: JSW Centre, Bandra Kurla Complex, Bandra (East), Mumbai - 400051, Maharashtra, India.
Tel No.: 02242861000; **CIN:** U46620MH2017PLC405988 **Email Id:** - bhushan.prasad@jsw.in

RISK MANAGEMENT POLICY

Policy Title	Effective Date	Authorised by	Last Revised Date
Risk Management Policy	May 13, 2026	Board of Directors vide resolution dated May 13, 2026	August 13, 2026

1. Definitions

In this Policy, unless the context otherwise requires:

- "Act" means the Companies Act, 2013 and the rules made thereunder, as amended from time to time.
- "Audit Committee" means the audit committee of the Company constituted under Regulation 62F of the LODR Regulations and Section 177 of the Act.
- "Board" means the board of directors of the Company.
- "COSO" means the Committee of Sponsoring Organisations of the Treadway Commission.
- "ERM" means Enterprise Risk Management.
- "HVDLE" means a high value debt listed entity within the meaning of Regulation 62C of the LODR Regulations, being an entity with only non-convertible debt securities listed with outstanding principal value meeting the prescribed threshold.
- "LODR Regulations" means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, including Chapter VA thereof.
- "NCS Regulations" means the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021.
- "Policy" means this Risk Management Policy, as amended from time to time.
- "Risk Management Committee" has the meaning given to it in Clause 9 of this Policy.

2. Company Profile

JTPM Metal Traders Limited (the "Company") is part of the JSW Group and is a subsidiary of JSW Techno Projects Management Limited. The Company is engaged in sponge iron (DRI) and precious metals including silver, copper and gold.

The Company was listed on 30 September 2025 on BSE Limited. The Company has listed non-convertible debt securities on BSE Limited and qualifies as an HVDLE under Chapter VA of the LODR Regulations. As an HVDLE, the Company is subject to the corporate governance requirements prescribed under Regulations 62B to 62Q and other applicable provisions of the LODR Regulations.

3. Objective

This Policy aims to ensure resilience for sustainable growth and sound corporate governance through an identified process for risk identification and management, in compliance with the provisions of the Act; Regulations 62D(15) and 62I of the LODR Regulations (applicable to the Company as an HVDLE); Part D of Schedule II of the LODR Regulations; Section 134(3)(n) of the Act; and any other applicable law or regulation as amended from time to time.

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4. Applicability and Effective Date

This revised Policy shall come into force with effect from 13 August 2026. This Policy documents the present practices and will continue to capture practices as they evolve and are adopted by the Company from time to time.

This Policy is applicable to all business units, divisions and operations of the Company and, to the extent relevant, its material subsidiaries.

5. Risk Management Framework

The Company follows the COSO framework of ERM to classify, communicate and respond to risks and opportunities based on probability, frequency, impact, exposure and resultant vulnerability, and to ensure resilience, such that:

- intended risks, such as those taken for growth, are taken prudently so as to plan for the best and be prepared for the worst through de-risking strategies, clearly defined priorities across strategic purposes, a consistent rationale for resource allocation, stress testing of scenarios on critical factors, and better anticipation, flexibility and due diligence;
- execution of decided plans is handled with action focus;
- unintended risks relating to performance, operations, compliance, systems, incidents, processes and transactions are avoided, mitigated, transferred (such as through insurance), shared (such as through sub-contracting), or otherwise managed by reducing their probability or impact through tactical and executive management, code of conduct, competency building, policies, processes, in-built system controls, MIS, and internal audit reviews;
- knowable unknown risks in fast-changing VUCA conditions are managed through timely sensitisation to market trends, shifts and stakeholder sentiments; and
- overall risk exposure from present and future risks remains within the risk capacity of the Company.

6. Risk Identification Framework

Pursuant to Part D of Schedule II of the LODR Regulations, the following framework is established for the identification of internal and external risks specifically faced by the Company:

- financial risks: including risks arising from borrowings, debt servicing, interest rate fluctuations, debt covenants, liquidity, currency and credit risks;
- operational risks: including risks arising from process failures, human error, system failures, supply chain disruptions, and operational inefficiencies;
- sectoral risks: including risks specific to the metals and commodities sector, including commodity price volatility, regulatory changes, and demand-supply disruptions;
- sustainability and ESG risks: including environmental, social and governance risks that may affect the long-term sustainability of the Company's operations;
- information and cyber security risks: including risks arising from data breaches, cyber-attacks, system outages, loss of confidential information and failures of information technology infrastructure;
- legal and compliance risks: including risks arising from non-compliance with applicable laws, regulations, judicial or regulatory orders, or contractual obligations; and

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- reputational risks: including risks arising from events or developments that may adversely affect the reputation of the Company.

Measures for risk mitigation, including systems and processes for internal control of identified risks, and a business continuity plan, shall form part of the risk management framework and shall be maintained and updated by the management periodically.

7. Risk Management Process

- Risk owners shall identify risks, opportunities and make risk response plans;
- Risks affecting the entire Company shall be discussed at appropriate levels;
- The Audit Committee, acting as the Risk Management Committee in accordance with Clause 9 below, shall review the risk management framework and such high risks and opportunities as are emerging or where the impact is substantially changing;
- The Audit Committee shall consider the risk management agenda and take note of the relevant proceedings; and
- Internal audit shall review process risks and controls.

8. Risk Impact and Response Strategies

The following risk impact and response strategies have been identified for the key risk categories applicable to the Company:

Sr. No.	Type of Risk	Impact	Risk Response Strategies
1	Borrowings / Debt	Weak borrowing controls may lead to errors, higher costs, covenant breaches, and liquidity risks.	Borrowings shall be properly authorised and monitored, with timely reconciliation and corrective action, including monitoring of borrowings, repayments and covenants.
2	Interest and Debt Servicing	Delayed debt servicing may lead to penalties, covenant defaults, breaches, and reputational risks.	Maintain a debt servicing calendar, ensure timely and authorised payments, and promptly address any liquidity shortfalls.
3	Debt Covenants	Debt covenant breaches may result in defaults, additional costs, lender restrictions, and adverse credit or regulatory consequences.	Document and regularly monitor all covenants, with periodic debt compliance reviews and management reporting.
4	Debenture Security / Controls	Inadequate security controls may result in non-compliance, insufficient security cover, and lender disputes.	Ensure proper documentation, timely completion, and reconciliation of all security-related activities.
5	Related Party Transactions	Inadequate related party controls may result in conflicts of interest, non-arm's-length transactions, and financial misstatements.	Maintain an updated related party register, obtain required approvals, and ensure proper records and disclosures.
6	Statutory and Regulatory Compliance	Non-compliance may result in losses, penalties, regulatory action, and reputational damage.	Maintain a comprehensive compliance framework and calendar, ensuring timely monitoring and completion of all filings, payments, and disclosures.
7	Internal Financial Control	Inadequate internal controls may lead to inaccurate reporting, asset misappropriation and fraud.	Maintain appropriate internal financial controls, obtain required approvals, and ensure assessment, documentation and monitoring of controls.
8 [NEW]	Cyber Security and Information Technology [NEW]	Cyber-attacks, data breaches, or IT system failures may disrupt operations and create regulatory and reputational risks. [NEW]	Implement and periodically review cyber security policies, conduct regular IT audits, maintain data backup and recovery systems, and train employees on cyber security awareness. [NEW]

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Sr. No.	Type of Risk	Impact	Risk Response Strategies
9 [NEW]	ESG and Sustainability Risks [NEW]	Environmental, social and governance failures may attract regulatory penalties, reputational harm, and long-term business disruption. [NEW]	Monitor ESG metrics; integrate sustainability into strategic planning; engage stakeholders on ESG performance. [NEW]

9. Roles and Responsibilities

9.1 Discharge of Risk Management Committee Functions by the Audit Committee

Pursuant to Regulation 62I (1) of the LODR Regulations (applicable to the Company as an HVDLE), the Board is required to ensure that the functions of the Risk Management Committee, as specified in Part D of Schedule II of the LODR Regulations, are discharged either by the Audit Committee, by the Board, or by a risk management committee constituted by the Board. In view of the size and nature of the Company's operations, the Audit Committee shall discharge the functions of the Risk Management Committee (the "Risk Management Committee"). Accordingly, no separate Risk Management Committee shall be constituted under this Policy.

9.2 Mandatory Functions of the Risk Management Committee (discharged by the Audit Committee)

Pursuant to Regulation 62I(6) read with Part D of Schedule II of the LODR Regulations, the Audit Committee shall mandatorily perform the following functions:

- formulate a detailed risk management policy which shall include: (i) a framework for identification of internal and external risks specifically faced by the Company, in particular financial, operational, sectoral, sustainability (particularly ESG-related risks), information and cyber security risks, or any other risk as may be determined by the Audit Committee; (ii) measures for risk mitigation including systems and processes for internal control of identified risks; and (iii) a business continuity plan;
- ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- monitor and oversee implementation of this Policy, including evaluating the adequacy of risk management systems;
- periodically review this Policy, at least once every two years, considering the changing industry dynamics and evolving complexity;
- keep the Board informed about the nature and content of its discussions, recommendations and actions to be taken;
- review the appointment, removal and terms of remuneration of the Chief Risk Officer, if any; and
- 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.

9.3 Powers of the Audit Committee acting as Risk Management Committee

Pursuant to Regulation 62I (7) of the LODR Regulations, the Audit Committee, in its capacity as the Risk Management Committee, shall have power to seek information from any employee, obtain outside legal or other professional advice, and secure attendance of outsiders with relevant expertise, if it considers necessary.

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9.4 Board of Directors

Pursuant to Regulation 62D(15) of the LODR Regulations: (a) the Company shall lay down procedures to inform the Board about risk assessment and minimisation procedures; and (b) the Board shall be responsible for framing, implementing and monitoring the risk management plan for the Company. The Board shall take note of the risk management proceedings considered by the Audit Committee. The minutes of every meeting of the Audit Committee at which risk management agenda items are considered shall be placed before the Board at its next meeting for noting.

9.5 Management Responsibilities

The senior management of the Company shall: (a) implement the risk management framework and processes as approved by the Board and the Audit Committee; (b) report to the Audit Committee on identified risks, risk response strategies, and the status of implementation of risk mitigation measures; (c) prepare and maintain a risk register updated at least annually; and (d) immediately escalate to the Audit Committee any material risk event that could have a significant impact on the Company.

10. Composition of the Audit Committee

The Audit Committee shall have a minimum of three directors as members. At least two-thirds of the members of the Audit Committee shall be independent directors. This requirement is in accordance with Regulation 62F(1)(a) and (b) of the LODR Regulations.

All members of the Audit Committee shall be financially literate and at least one member shall have accounting or related financial management expertise, as required under Regulation 62F(1)(c) of the LODR Regulations.

The chairperson of the Audit Committee shall be an independent director. The company secretary shall act as the secretary to the Audit Committee.

The Audit Committee, at its discretion, shall invite the director or head of the finance function, head of internal audit, a representative of the statutory auditor, and any other such executives to be present at its meetings, in accordance with Regulation 62F(1)(f) of the LODR Regulations.

11. Meetings of the Audit Committee

Pursuant to Regulation 62F(2)(a) of the LODR Regulations, the Audit Committee shall meet at least four times in a financial year, with not more than one hundred and twenty days elapsing between two consecutive meetings.

The quorum for a meeting of the Audit Committee shall be either two members or one third of the members of the Audit Committee, whichever is greater, with at least two independent directors present. This quorum is prescribed under Regulation 62F(2)(b) of the LODR Regulations.

With respect to risk management agenda items, the Audit Committee shall consider such items at least twice in a financial year, with not more than two hundred and ten days elapsing between any two consecutive deliberations on risk management matters, as required under Regulation 62I(4) of the LODR Regulations.

12. Policy Review

This Policy shall be reviewed at least once every two years by the Audit Committee, considering changing industry dynamics and evolving complexities. Any changes or modifications to this Policy shall be recommended by the Audit Committee and placed before the Board for approval.

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The Audit Committee shall, while undertaking such review, consider the requirements of Part D of Schedule II of the LODR Regulations to ensure that this Policy continues to reflect the applicable legal and regulatory requirements.

13. Disclosure and Compliance Reporting

Pursuant to Regulation 62Q(2)(a) of the LODR Regulations, the Company shall submit to the recognised stock exchange(s) a periodic compliance report on corporate governance in the format and within the timelines as specified by SEBI from time to time. Details of cyber security incidents or breaches or loss of data or documents shall be disclosed along with such compliance report as may be specified. The compliance report shall be signed by the Compliance Officer or the Chief Executive Officer of the Company.

14. Deviations and Exceptions

Any deviation from the provisions of this Policy shall be approved by the Audit Committee with reasons recorded in writing, and shall be placed before the Board at its next meeting for noting. No deviation shall be permitted that would result in non-compliance with applicable law or regulations.

15. Date of Approval and Amendments

This Policy is effective from the date of its approval and adoption by the Board. Any amendment or modification to this Policy shall require the approval of the Board. The Audit Committee may recommend amendments to the Board for its approval. Any subsequent amendments or modifications to the applicable LODR Regulations and/or other relevant laws shall automatically apply to this Policy and shall prevail to the extent of inconsistency.
