

RISK MANAGEMENT POLICY

INTRODUCTION:

The Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 emphasize the requirement of Risk Management Policy for the Company.

The provisions of Section 134(3)(n) of the Companies Act, 2013 necessitate that the Board's Report should contain a statement indicating development and implementation of a risk management policy for the Company including identification therein of elements of risk, if any, which in the opinion of the Board may threaten the existence of the Company.

Further, the provisions of Section 177(4) of the Companies Act, 2013 require that every Audit Committee shall act in accordance with the terms of reference specified in writing by the Board which shall inter alia include evaluation of risk management systems.

Further Regulation 17(9) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 provides that the listed entity shall lay down procedures to inform members of board of directors about risk assessment and minimization procedures and the board of directors shall be responsible for framing, implementing and monitoring the risk management plan for the listed entity.

In line with the above requirements, it is therefore, required for the Company to frame and adopt its Risk Management Policy (the "Policy").

OBJECTIVE

The main objective of this Policy is to ensure sustainable business growth with stability and to promote a pro-active approach in reporting, evaluating and resolving risks associated with the Company's business. In order to achieve the key objective, this Policy establishes a structured and disciplined approach to Risk Management, in order to guide decisions on risk related issues.

The specific objectives of this Policy are:

- (a) To protect the interests of stakeholders
- (b) To ensure that all the current and future material risk exposures of the Company are identified, assessed, quantified, appropriately mitigated, minimized and managed i.e. to ensure adequate systems for risk management.
- (c) To establish a framework for the company's risk management process and to ensure its implementation.
- (d) To enable compliance with appropriate regulations, wherever applicable, through the adoption of best practices.
- (e) To assure business growth with financial stability.

APPLICABILITY

This Policy applies to all areas of the Company's operations.

RISK MANAGEMENT COMMITTEE

The Company has constituted a Risk Management Committee by the Board resolution dated June 14, 2021. The scope and functions of the Risk Management Committee are in compliance with the Regulation 21 of the SEBI Listing Regulations.

The Risk Management Committee currently comprises of:

- (a) Mr. Kumar Taurani, Chairman & Managing Director - Chairperson
- (b) Mr. Ramesh Taurani, Managing Director - Member
- (c) Mr. Amitabh Mumdhra, Independent Director – Member

ROLE OF THE COMMITTEE

The Committee will undertake the following actions to ensure risk is managed appropriately:

- (a) The Board shall define the roles and responsibilities of the Risk Management Committee and may delegate monitoring and reviewing of the risk management plan to the Committee and such other functions as it may deem fit;
- (b) The Committee shall be responsible for framing, implementing and monitoring the risk management plan for the company;
- (c) Ensure that the organization has proper risk management framework;
- (d) Ensure that senior management takes necessary steps to identify, measure, monitor and control various risks
 - (a) to review and recommend potential risk involved in any new business plans and processes;
 - (a) Have an awareness of and continually monitor the management of strategic risks;
 - (b) Be satisfied that processes and controls are in place for managing less significant risks;
 - (c) Be satisfied that an appropriate accountability framework is working whereby any delegation of risk is documented and performance can be monitored accordingly;
 - (d) Ensure risk management is integrated into board reporting and annual reporting mechanisms;
 - (e) Convene the Board that are deemed necessary to ensure risk is adequately managed and resolved where possible.

RESPONSIBILITY FOR RISK MANAGEMENT

- (a) Generally every staff member of the company is responsible for the effective management of risk including the identification of potential risks.
- (b) Head of Departments shall be responsible for implementation of the risk management system as may be applicable to their respective areas of functioning and report to the Risk management Committee.
- (c) Risk management processes should be integrated with other planning processes and management activities.

REVIEW

This policy shall evolve by review by the Risk Management from time to time as may be necessary. This Policy will be communicated to all Head of Departments and other concerned persons of the Company.