

## **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. To achieve the key objective, this Policy establishes a structured and disciplined Risk Management approach 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 Risk Management Committee of the Company shall have a minimum of three Members with the majority of them being members of the Board, including at least one Independent Director. The Chairperson of the Committee shall be a member of the Board and senior executives of the Company may be members of the Committee.

**ROLE OF THE COMMITTEE:**

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

- (a) The Committee shall be responsible to formulate a risk management policy;
- (b) To review of operational risks;
- (c) To review of financial and reporting risks;
- (d) To review of compliance risks;
- (e) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- (f) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- (g) Ensure that senior management takes necessary steps to identify, measure, monitor and control various risks;
- (h) The committee will coordinate its activities with the Audit Committee in instances where there is any overlap with audit activities (e.g. internal or external audit issue relating to risk management policy or practice);
- (i) The committee shall make reports/ recommendations to the Board of directors and to keep the Board informed about the nature and content of its discussions, recommendations and actions to be taken;
- (j) The committee shall review and reassess the adequacy of this Policy and recommend any proposed changes to the Board for approval;
- (k) The Risk Management Committee shall have powers 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

**ROLE OF THE BOARD:**

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

- (a) The Board shall be responsible for framing, implementing and monitoring the risk management Policy of the company;
- (b) The Board shall define the roles and responsibilities of the Risk Management Committee and may delegate monitoring and reviewing of the risk and internal control systems to the Committee and such other functions as it may deem fit;
- (c) Ensure that the appropriate systems for risk management are in place;
- (d) The directors shall help in bringing an independent judgment to bear on the Board's deliberations on issues of risk management and satisfy themselves that the systems of risk management are robust and defensible;
- (e) Participate in major decisions affecting the Company's risk profile;

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- (f) Be satisfied that processes and controls are in place for managing less significant risks;
- (g) Be satisfied that an appropriate accountability framework is working whereby any delegation of risk is documented and performance can be monitored accordingly;

### **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.
- (c) Risk management processes should be integrated with other planning processes and management activities.

### **REVIEW:**

The Risk Management Committee shall review the policy from time to time and recommend appropriate modification, as may be necessary, to the Board of Directors for approval.

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**DOCUMENT HISTORY:**

<b>Version</b>	<b>Version Date</b>	<b>Reviewed by</b>	<b>Approved by</b>	<b>Brief Description</b>
1.0	27-07-2021	Risk Management Committee	Board of Directors	Original Policy
1.1	16-10-2024	Risk Management Committee	Board of Directors	Change of Company Name