

## **RISK MANAGEMENT POLICY**

### **BACKGROUND**

This document lays down the framework of Risk Management at Raghav Ramming Mass Limited (hereinafter referred to as the 'Company' or 'RRML') and defines the policy for the same. This document shall be under the authority of the Board of Directors of the Company. It seeks to identify risks inherent in any business operations of the Company and provides guidelines to define, measure, report, control and mitigate the identified risks.

### **OBJECTIVE**

The objective of Risk Management at RRML is to create and protect shareholder value by minimizing threats or losses, and identifying and maximizing opportunities. An enterprise-wide risk management framework is applied as effective management of risks is an integral part of every employee's job. This policy is based on philosophy of achieving substantial growth while mitigating and managing risks involved.

### **Key Compliance Requirements:**

**Section 134 of Companies Act, 2013:** The Board of Directors report must include a statement indicating development and implementation of a risk management policy for the company including identification of elements of risk, if any, which in the opinion of the board may threaten the existence of the company.

RRML, being a listed company is required to adhere to the regulations made both by the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirement), 2015. Where any stipulation is common between the regulations, more stringent of the two shall be complied with.

### **APPLICABILITY**

This Policy shall come into force with effect from 7<sup>th</sup> January, 2016.

### **KEY DEFINITIONS**

**"Board of Directors" or "Board"** in relation to a Company, means the collective body of Directors of the Company. (Section 2(10) of the Companies Act, 2013).

## **Risk Management**

A. The company shall lay down procedures to inform Board members about the risk assessment and minimization procedures.

B. The Board shall be responsible for framing, implementing and monitoring the risk Management plan for the company.

## **Responsibility for Risk Management**

Generally every staff member of the Organization is responsible for the effective management of risk including the identification of potential risks. Management is responsible for the development of risk mitigation plans and the implementation of risk reduction strategies. Risk management processes should be integrated with other planning processes and management activities.

## **Risk Factors**

The objectives of the Company are subject to both external and internal risks that are enumerated below:-

### **External risk factors:**

- Economic Environment and Market conditions
- Political Environment
- Competition
- Revenue Concentration and liquidity aspects
- Inflation and Cost structure
- Legal risk is the risk in which the Company is exposed to legal action. As the Company is governed by various laws and the Company has to do its business within four walls of law, the Company is exposed to legal risk.

### **Internal Risk Factors:**

- Project Execution
- Operational Efficiency
- Hurdles in optimum use of resources
- Quality Assurance
- Human Resource Management

## **RISK EVALUATION**

After risk analysis, comparison of estimated risks against organization risk criteria is required. It is to be used to make decisions about the significance of risks and whether each specific risk to be accepted or treated.

### **RISK ESTIMATION**

Risk can be quantitative, semi quantitative or qualitative in terms of probability of occurrence and possible consequences.

Impact level on performance/profit – Both Threats and Opportunities.

### **REPORTING**

- Internal Reporting
  - a) Board of Directors
  - b) Vertical Heads
  - c) Individuals
- External Reporting

To communicate to the stakeholders on regular basis as part of Corporate Governance, as and when required.

### **REVIEW**

This Policy shall be reviewed at least every year to ensure it meets the requirements of legislation and the needs of organization.

### **AMENDMENT**

This Policy can be modified at any time by the Board of Directors of the Company.