

RISK MANAGEMENT POLICY

Of

SUDAL INDUSTRIES LIMITED

1. INTRODUCTION

The Risk Management policy of SUDAL INDUSTRIES LIMITED (“the Company”) was formed under the provisions of Companies Act, 2013 and SEBI Listing Obligations and Disclosure Requirements, Regulations 2015, in order to ensure the Company’s affair shall be carried out in a sound and prudent manner by managing its business, operating and financial risk by adopting appropriate risk management plan.

2. APPLICATION

This policy applies to all areas of the Company’s operations

3. BOARD SHALL LOOK INTO RISK MANAGEMENT

The Board shall look into Risk Management measures and amend this policy as and when deemed necessary.

4. CONSTITUTION OF RISK MANAGEMENT COMMITTEE

Risk Management Committee may be constituted by the company consisting of such number of directors (executive or non-executive) as the Company thinks fit.

The Board shall define the roles & responsibilities of the Risk Management Committee & may delegate monitoring & reviewing of the risk management plan to the Committee & such other functions as it may deem fit.

5. ROLE AND RESPONSIBILITIES OF BOARD (INCLUDING COMMITTEE, IF SO SEPERATELY FORMED) INCLUDES THE FOLLOWING:

- a. Framing of Risk Management Plan and Policy Overseeing implementation of Risk Management Plan and Policy
- b. Monitoring of Risk Management Plan and Policy
- c. Validating the process of risk management

- d. Validating the procedure for Risk Minimization.
- e. Periodically reviewing and evaluating the Risk Management Policy and practices with respect to risk assessment and risk management processes
- f. Continually obtaining reasonable assurance from management that all known and emerging risks have been identified and mitigated or managed
- g. Performing such other functions as may be necessary or appropriate for the performance of its oversight function

6. RISK MANAGEMENT PLAN

Risk Management plan includes a step wise Risk managing process:

a) Identifying Risks

The company risk assessment methodology relies on the principle that those employees who have a very good knowledge of their respective areas of the business are in the best position to provide the necessary information and assessments of risks. As each risk is identified, information is passed regarding this risk throughout the identification, analysis, evaluation and treatment steps in relation to that risk

b) Analyzing and Evaluating Risks

Each risk is analyzed to identify the consequence and likelihood of the risk occurring and the adequacy of existing controls. These measures are used to establish the priority and ranking of the risk, which in turn indicates the priority for risk treatment actions.

c) Treating Risks

Once the risks have been identified and assessed, risk treatment measures and actions are identified. Risk treatment activities may include tasks to:

- a. reduce the likelihood of risks;
- b. reduce the consequence of risks;
- c. reduce both the likelihood and consequence of risk;
- d. transfer the risk in part or in whole;
- e. accept the risk and do nothing; and/or avoid the risk by changing business practices

A priority is further established for each risk treatment action reflecting the complexity of the treatment, effort, funding and resources required. Each risk treatment action must also indicate the position manager responsible and the estimated dates for implementation.

d) Monitoring Risks

The Board or Committee shall review and monitors the risk register half yearly, or in the case of escalated and high priority risks, quarterly basis.

7. DISCLOSURE IN BOARD'S REPORT

Board of Directors shall include 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

8. REVIEW

This policy shall be reviewed at a minimum at regular intervals as deemed fit by the Board to ensure it meets the requirements of legislation & the needs of organization

#Adopted by the board at its Meeting held on 14.02.2015