

## **Risk Management Policy**

### **Legal Framework**

Section 134(3)(n) of the Companies Act, 2013 requires the Company to frame Risk Management Policy to identify various elements of risk and steps taken to mitigate the same.

Risk Management is a key aspect of the “Corporate Governance Principles and Code of Conduct” which aims to improvise the governance practices across the Company’s activities. Risk Management Policy and processes will enable the Company to proactively manage uncertainty and changes in the internal and external environment to limit negative impacts and capitalize on opportunities.

### **Objective & Purpose of Policy**

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 business. In order to achieve the key objective, the policy establishes a structured and disciplined approach to Risk Management, in order to guide decisions on risk related issues.

Risk Management framework shall primarily focus on following elements:

**A) Risk to Company Assets and Property** – It is ensured that there is proper security and maintenance of assets and adequate coverage of insurance to facilitate replacement of assets with minimal disruption to operations.

**B) Employees Related Risks** - Employees constitute the most important assets of the Company. The Human Resources Policies have been evolved over the years with the object of mitigating employee related risks including reducing attrition rate. Adequate legal safeguards have been provided to protect confidential information, and protect the Company from any probable contractual liability on account of misconduct/errors/omissions of employees.

**C) Risks associated with Non-Compliance of Statutory enactments** - The Company is a legal entity incorporated under the provisions of the Companies Act, 1956 engaged in construction of residential and commercial premises, and its shares are listed on the BSE Limited. The Company is required to ensure compliance of provisions of various applicable statutory enactments. The Company ensures that qualified professionals are employed to comply with various applicable laws.

**D) Competition Risks** - Risk of competition is inherent to all business activities. The Company is engaged in construction of residential and commercial premises, there is always an inherent risk of uncertain productivity of resources, weather or seasonal implications and industrial relations problems, financial risks include inflation, availability and fluctuation of foreign exchange, delay in payment, repatriation of funds and local taxes, technical risks, political risks, environment risks. Changes cannot be eliminated, however, by applying risk management in project construction participates are able to improve the construction management.