

AMRAPALI INDUSTRIES LIMITED

RISK MANAGEMENT POLICY

(Pursuant to Regulation 17(9) of the Securities and Exchange Board
of India (Listing Obligations and Disclosure Requirements)
Regulations, 2015)

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1. PREAMBLE:

The Securities and Exchange Board of India (“the “**SEBI**”) notified SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**SEBI (LODR Regulations)**”) vide notification no. SEBI/LAD/NRO/GN/2015-16/013, dated 2nd September, 2015, which was effective from 2nd December, 2015 (90 days from the publication in official gazette).

In accordance with Section 134(3)(n) of the Companies Act, 2013, a company is required to 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 and further as per Regulation 17 of the SEBI LODR Regulations, as amended, the board of directors shall be responsible for framing, implementing and monitoring the risk management plan for the listed entity. Accordingly, to mitigate and manage risk at “Amrapali Industries Limited” (hereinafter referred to as the “**Company**”), the Company has formed the policy (the “**Risk Management 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 the operations of the Company and provides guidelines to define, measure, report, control and mitigate the identified risks.

2. OBJECTIVE:

The objective of the Risk Management Policy of the Company is to create and protect shareholder value by minimizing threats or losses, and identifying and maximizing opportunities. This Risk Management Policy is being applied in order to ensure that effective management of risks is an integral part of every employee’s job. These include:

- a) Providing a framework, that enables future activities in a consistent and controlled manner;
- b) Improving decision making, planning and prioritization by comprehensive and structured understanding of business activities, volatility and opportunities/ threats;
- c) Contributing towards more efficient use/ allocation of the resources within the organization;
- d) Protecting and enhancing assets and Company’s image;
- e) Reducing volatility in various areas of the business;
- f) Developing and supporting people and knowledge base of the organization;
- g) Optimizing operational efficiency.

3. DEFINITIONS:

In this Policy, unless the context otherwise requires:

"Audit Committee or Committee" means the audit committee of board of directors of the Company in accordance with the provisions of the Companies Act, 2013 and the rules made thereunder read with the SEBI LODR Regulations.

"Board of Directors" or **"Board"** in relation to the Company, means the collective Body of Directors of the Company (including a committee of directors of the Company duly authorized by the Board).

"Company" means “Amrapali Industries Limited, a company constituted under the provisions of Companies Act, 1956.

"Policy" means this Risk Management Policy as may be amended or supplemented from time to time.

"SEBI LODR Regulations" means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) regulations, 2015, as amended.

4. APPLICABLE DATE:

The Risk Management Policy shall come into force on and from such date, on which the Board of Directors in a duly convened meeting adopt the same.

5. CONSTITUTION OF RISK MANAGEMENT COMMITTEE:

Risk Management Committee shall be constituted by the Board, as and when required under the applicable law, consisting of such number of directors (executive or non-executive or independent directors) and such officials other key managerial personnels or of the Company as the Board thinks fit.

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 along with such other functions as it may deem fit.

6. RISK ASSESSMENT:

To meet the objectives of the Company, the Board shall consider expected and unexpected events, pursuant to which it is imperative to make effective strategies for exploiting opportunities. Accordingly, the Company has identified key risks and developed plans for managing the same.

7. RISK IDENTIFICATION:

In order to identify and assess material business risks, the Company defines risks and prepares risk profiles in light of its business plans and strategies. This involves providing an overview of each material risk, making an assessment of the risk level and preparing action plans to address and manage the risk.

Risks may be structured as follows for the purpose of their identification and evaluation:

Name of Risk	
Scope of Risk	Qualitative description of events with size, type, number etc.
Nature of Risk	Strategic, Operational, Financial, Hazard
Quantification of Risk	Significance & Probability
Risk Tolerance/ Appetite	Loss Potential & Financial Impact of Risk

Risk Treatment & Control Mechanism	a) Primary Means b) Level of Confidence c) Monitoring & Review
Potential Action for Improvement	Recommendations to Reduce Risk
Strategy & Policy Development	Identification of Function Responsible to develop Strategy & Policy

Material Risks on which the Company presently focuses can be broadly subdivided into Internal and External Risks and may comprise of the following:

▪ **INTERNAL RISKS:**

- Technological risks
- Strategic business risks
- Legal and regulatory compliance risks
- Cost risks
- Human resource risks
- Risks arising from exchange rate fluctuations

▪ **EXTERNAL RISKS:**

- Illegal use and exploitation of Company's content and/or intellectual property rights and inadequate judicial systems and remedies:
- Economic Environment and Market conditions Risks
- Competition risks:
- Government policy and political risks

8. RESPONSIBILITY, COMPLIANCE AND CONTROL:

Generally every staff member of the Company is responsible for the effective management of risk including the identification of potential risks. The Head of Departments and other senior management persons in the Company at organizational levels under the guidance of the Board / Audit Committee are 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.

The Company Secretary of the Company being the focal point will get the quarterly compliance reports from functional heads and place it before the Board for its perusal.

9. GENERAL:

- The Board of Directors and the Audit Committee in their meeting shall at least once in every year review the risk management framework and effectively address the emerging challenges in a dynamic business environment and ensure that it meets the requirements of the applicable Laws and the needs of the Company.
- The Audit Committee and Board of Directors shall have the power to modify, amend or replace this Policy in part or full as may be thought fit from time to time in their

absolute discretion as far as it is not in contravention of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- In case of any inconsistency between any of the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 / the Companies Act, 2013 and this Policy or in case of any omission of any of the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 / the Companies Act, 2013 in this Policy, the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 / the Companies Act, 2013, as amended shall prevail or be applicable, as the case may be.
- Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the SEBI (LODR) or any other applicable law or regulation to the extent applicable to the Company.

The risks outlined above are not exhaustive and are for information purposes only.

10. DISSEMINATION OF POLICY:

The Risk Management Policy shall be disclosed in the Annual Report of the Company, as per the provisions of laws in force. The policy shall also be uploaded on the website of the Company at www.amrapalispot.com