



OSWAL GREENTECH LIMITED

RISK MANAGEMENT POLICY

Oswal Greentech Limited
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RISK MANAGEMENT POLICY

PREFACE

Risk Management is an attempt to forecast and evaluate the potential threats together with the identification of procedures to avoid or minimize their impact.

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.

Further as per regulation 17 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Board of the listed entity shall be responsible for framing, implementing and monitoring the risk management plan for the listed entity.

Accordingly, in order to mitigate the risk at Oswal Greentech Limited (“the Company”) the Company has adopted the following policy and procedures with regard to risk management as defined below. It seeks to identify risk inherent in the operations of the Company and provides guidelines to define, measure, report, control and mitigate the identified risks.

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 and to create and protect shareholders’ value by minimizing threats or losses and identifying and maximising opportunities. In order to achieve the key objective, this Policy establishes a structured and disciplined approach to Risk Management, in order to guide decisions on risk related issues. These include:

1. To ensure that all the current and future material risk exposures of the Company are identified, assessed, quantified, appropriately mitigated, minimised and managed i.e. to ensure adequate systems for risk management.
2. To establish a framework for the Company’s risk management process and to ensure its implementation.
3. To enable compliance with appropriate regulations, wherever applicable, through the adoption of best practices.
4. To assure business growth with financial stability.

DEFINITIONS

“**Company**” means “Oswal Greentech Limited”, a Company incorporated under the Companies Act, 1956.

“Audit Committee” means Committee of Board of Directors of the Company constituted under the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”).

“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]

“Policy” means Risk Management Policy.

“Risk” in literal terms can be defined as the effect of uncertainty on the objectives. Risk is measured in terms of consequences and likelihood. Risks can be internal and external and are inherent in all administrative and business activities. Every member of any organisation continuously manages various types of risks. Formal and systematic approaches to managing risks have evolved and they are now regarded as good management practice also called as Risk Management.

“Risk Management” is the systematic way of protecting business resources and income against losses so that the objectives of the Company can be achieved without unnecessary interruption.

SCOPE

This policy applies to all team members, whether full time, part time or casual at any level of seniority within the business. The policy also applies to consultants working on behalf of the Company.

RISK STRATEGY

Although the company is engaged in limited activities but it is committed to excellence. Company recognizes that risk is an integral and unavoidable component of business and is committed to managing the risk in a proactive and effective manner. The Company believes that the risk cannot be eliminated. However, it can be:

- Transferred to another party, say by buying an insurance policy;
- minimized, by having strong internal controls;
- Avoided, by not entering into risky businesses;
- Retained, to either avoid the cost of trying to reduce risk or in anticipation of higher profits by taking on more risk, and;
- Shared, by following a middle path between retaining and transferring risk

In today’s dynamic and challenging environment, framework for mitigating inherent risks in accomplishing the growth plans of the Company is indispensable. The common risks inter alia are: regulations, business risk, technology obsolescence, investments, retention of talent and expansion of facilities.

Business risk, inter-alia, may further be classified under financial risk, political risk, fidelity risk, legal risk.

For managing risk more efficiently the company would need to identify the risks that it faces in trying to achieve its objectives. Once these risks are identified, the risk manager would need to evaluate these risks to see which of them will have critical impact on the Company and which of them are not significant enough to deserve further attention.

As a matter of policy, these risks are assessed and steps as appropriate are taken to mitigate the same.

RISK MANAGEMENT FRAMEWORK

Objectives must exist before management can identify potential events affecting their achievement. Enterprise risk management ensures that management has in place a process to set objectives and that the chosen objectives support and align with the entity's mission and are consistent with its risk appetite.

The objectives of the Company can be classified into

Strategic:

- Organizational Growth
- Stakeholder Relationship

Operational:

- Consistent Revenue growth
- Consistent profitability
- Investment, Margin/pricing
- Talent acquisition and retention
- Maintaining high standard of Corporate Governance and ensuring adherence to applicable legal compliance

In principle, risks always result as consequence of activities or as consequence of non-activities. Risk Management and Risk Monitoring are important in recognizing and controlling risks. The entirety of enterprise risk management is monitored and modifications made as necessary.

Risk mitigation is an exercise aiming to reduce the loss or injury arising out of various risk exposures.

The Company adopts systematic approach to mitigate risks associated with accomplishment of objectives, operations, revenues and regulations.

We consider activities at all levels of the organization in the risk management framework.

The Risk Management framework of Company focuses on two key elements:

- A. Risk Assessment
- B. Risk Management & Risk Monitoring

A) Risk Assessment

Risks are analysed, considering likelihood and impact, as a basis for determining how they should be managed.

Risk Assessment consists of a detailed study of threats and vulnerability and resultant exposure to various risks

To meet the stated objectives, effective strategies for exploiting opportunities are to be evolved and as a part of this, key risks are identified and plans for managing the same are lay out.

B) Risk Management and Risk Monitoring

The risk management and risk monitoring of factors affecting the business are as follows:

a) Compliance and Legal Risk

As the Company is governed by various laws, it has to conduct its business ensuring full compliance with existing rules and regulations over many laws. Changing laws, regulations and standards relating to accounting, corporate governance and public disclosure, Statutory filings, Securities and Exchange Board of India (SEBI) rules, and Indian stock market listing regulations are creating uncertainty for companies. These new or changed laws, regulations and standards may lack specificity and are subject to varying interpretations. Their application in practice may evolve over time, as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs of compliance as a result of ongoing revisions to such corporate governance standards.

Further the Company is also exposed to risk arising out of its contractual obligations in the form liabilities under Contracts and Agreements, frauds and judicial pronouncements.

As a measure of risk mitigation process, we have an experienced team of professionals who are ably assisted by advisors who focus on evaluating the risks involved in all transactions entered into by the company, ascertaining our responsibilities under the applicable law, restricting our liabilities under the contract, and covering the risks involved so that they can ensure adherence to all requirements of law.

Management places and encourages its employees to place full reliance on professional guidance and opinion and discuss impact of all laws and regulations to ensure company's total compliance. Advisories and suggestions from professional agencies and industry bodies, chambers of commerce etc. are carefully studied and acted upon where relevant.

The Company has established a compliance management system and the Secretary of the Company being the focal point will get the quarterly compliance reports from respective departments before they are placed before the Board on quarterly basis.

b) Human Resource Risk:

The company needs to contend with the risk of attrition and inability to retain talent which can provide continuity in the organization. Inability to retain talent impacts the company's performance significantly as time and cost incurred to recruit and train new talent is significant.

This risk is sought to be minimised and contained by following a policy of providing equal opportunity to every employee, inculcate in them a sense of belonging and commitment and also effectively train them in spheres other than their own specialisation. Employees are encouraged to make suggestions on new cost saving ideas and any other area that impacts the business of the company positively. It is believed that a satisfied and committed employee will give of his best and create an atmosphere that cannot be conducive to risk exposure.

Employee-compensation is always subjected to fair appraisal systems with the participation of the employee and is consistent with job content, peer comparison and individual performance.

c) Investment and RoI Risk:

The Company from time to time has surplus funds with it, in order to earn reasonable return over the same, the Company invests the same in one or more investment avenues/ securities. The investments are generally made in the form of advances for real estate activities, inter-corporate deposits, reputed Mutual Fund Houses, Fixed Deposits of Scheduled Banks, etc.

As a risk mitigation strategy the Company evaluates and invests funds in only such avenues which ensure safety of principal, further maintenance of adequate liquidity is also taken into consideration. The investments are reviewed on monthly basis and a comprehensive statement of investments/ inter-corporate deposits and redemptions are placed before Board/Committees on quarterly basis.

d) Force Majeure Risk

The Company is also exposed to risk in the form of natural calamities, act of god, fire, earth quakes etc.

The Company has taken adequate insurance policies wherever applicable for its assets to cover itself against natural risks the said policies are periodically reviewed and adequately advised. The important documents of the Company are stored in fire proof lockers. Fire extinguishers have been sufficiently placed across office premises.

e) Risk of Corporate accounting fraud

Accounting fraud or corporate accounting fraud are business scandals arising out of misusing or misdirecting of funds, overstating revenues, understating expenses etc.

The Company mitigates such risks by properly understanding the applicable laws and regulations, company has implemented vigil mechanism, adhering to internal control practice, promoting favourable environment for audits and employing mechanism for multiple authorisation for key transaction with cross checks.

AMENDMENT

The Company, subject to the provisions of the Companies Act, 2013, Listing Regulations, and other laws as applicable in this regard from time to time, reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever.
