

CEIGALL INDIA LIMITED

2. RISK MANAGEMENT POLICY

1. Objective:

The policy aims to ensure resilience for sustainable growth and sound corporate governance by having an identified process of risk identification and management (in compliance with the provisions of the Companies Act, 2013 and Regulation 17 (9) of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015).

2. Applicability and Effective Date:

The policy applies to all units and functions of the company. The revised policy will come into force. This policy documents the present practices and will continue to capture practices which evolve.

3. Policy:

Ceigall India Limited follows the Committee of Sponsoring Organisations (COSO) framework of Enterprise Risk Management (ERM) to classify, communicate, respond to risks and opportunities based on probability, frequency, impact, exposure and resultant vulnerability and ensure Resilience such that:

a) Intended risks, like for growth, are taken prudently so as to plan for the best and be prepared for the worst through de-risking strategies clearly defined priorities across strategic purposes, consistent rationale for resource allocation, stress testing on what if kind of scenarios on critical factors even if source is indirect, probability is uncertain and impact is immeasurable, better anticipation, flexibility and due diligence

b) Execution of decided plans is handled with action focus

c) Unintended risks like related to performance, operations, compliance, systems, incident, process and transaction are avoided, mitigated, transferred (like in insurance), shared (like through sub contracting) or probability, or impact thereof is reduced through tactical and executive management, code of conduct, competency building, policies, processes, inbuilt systems controls, MIS, internal audit reviews etc. No threshold limits are defined as objective will be to do the best possible.

d) Knowable unknown risks in fast changing Volatile, Uncertain, Complex and Ambiguous (VUCA) conditions are managed through timely sensitization of markets trends, shifts and stakeholders sentiments.

e) Overall risk exposure of present and future risks remains within Risk capacity.

4. Process:

a. The Risk owners identify risks, opportunities & make risk response plans.

- b. High risks affecting unit are discussed at respective locations.
- c. Risks affecting the entire company are discussed at corporate meeting.
- d. The Risk committee of directors consisting of executive & nominated directors reviews the framework & high risks & opportunities which are emerging or where impact is substantially changing.
- e. Board of Directors takes note of proceedings at Risk committee of Directors. f. Risk Management cell facilitates discussion on business risks. g. Internal audit reviews process risks & controls.

5. Roles & Responsibility:

- a. The Board of Directors (the Board) is responsible for implementing and monitoring the risk management plan of the Company. The Board shall constitute a Risk Management Committee (RMC). The Board shall define the roles and responsibilities of the RMC and may delegate monitoring and reviewing of the risk management plan to the RMC including cyber security and such other functions as it may deem fit.
- b. The RMC shall –
 - Ensure that appropriate methodology, processes, and systems are in place to monitor and evaluate risks associated with business of the company.
 - Monitor and oversee implementation of the risk management policy, including evaluation of the adequacy of risk management systems.
 - Periodically review the policy, at least once in two years, considering the changing industry dynamics and evolving complexity.
 - Keep the board of directors informed about the nature and content of RMC discussions and recommendations, as well as the actions to be taken.
- c. RMC shall assist the board of directors with the identification and management of risks to which the Company's group is exposed. Constitution of RMC - The majority of RMC shall consist of members of the Board. The Risk committee of directors consisting of mix of some executive directors & atleast one nominated Independent Director. Senior executives of the company may be members of the said Committee. The Chairman of the Committee shall be a member of the Board. RMC members shall have a working familiarity with the fundamentals of finance, accounting and risk management and represent a range of backgrounds, skills and experiences due to the strategic, business, operational, financial and non-financial risk profiles of the Company. The Board shall take note of proceedings of Risk Management Committee meeting of Directors.
- d. CEO – CEO shall be responsible for all the company risks and determine its risk capacity under the guidance of the Chairman to ensure that risk exposures are within the limit.
- e. Unit/ Functional Risk Owners – Unit incharge shall be responsible for all risks related to the unit. Functional head shall be responsible for the risks related to the specific function.

6. Business Continuity Plan (BCP):

All Site Units of the Company shall have Business Continuity Plan (BCP). The main objective of BCP is to maintain business continuity in case of unplanned events & potential disruptive incidents with an aim to minimize impact on –

- Human life and other living beings
- Environment and related eco systems
- Economic losses
- All stakeholders (such as investors, employees, local communities)

7. Environmental, Social & Governance (ESG) risks:

The Company is engaged in building infrastructure which involves various environmental, safety, operational & governance risks. The Company's aim has always been for an all-inclusive & sustainable growth while addressing these risks. The key risks identified have been tagged with Environmental / Social / Governance category for a holistic review from Sustainability point of view.