



SANGHVI MOVERS LIMITED

RISK MANAGEMENT POLICY

DATE OF APPROVAL:

27 MAY 2021



RISK MANAGEMENT POLICY

Preamble:

Risk Management policy and processes enable the Company to proactively manage uncertainty and changes in the internal and external environment to limit negative impacts and capitalize on opportunities. The Company recognizes Risk Management as an integral component of good corporate governance and fundamental in achieving its strategic and operational objectives. It improves decision-making, defines opportunities and mitigates material risk that may impact shareholder value.

Applicable provisions:

- a. Section 134 (3) of the Companies Act, 2013 requires a statement to be included in the Director's Report, 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.
- b. Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, states about formation of Risk Management Committee, its membership, role and responsibility of the Committee.
- c. Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, requires that the Company set out procedures to inform the Board of risk assessment and minimization procedures and makes the Board responsible for framing, implementing and monitoring the Risk Management plan of the Company.

Constitution:

Risk Management Committee shall be formed by the Board of Directors of the Company. The Board of Directors of the Company in their meeting held on 12th November 2014 constituted the Risk Management Committee of the Board of Directors of the Company.

Composition:

The Committee shall have minimum three Directors as members of the committee. The Chairman of the Committee shall be an Independent Director.

Quorum:

The quorum for Risk Management Committee Meeting shall be either two members or one third of the members of the Committee, whichever is higher, out of which at least one member shall be an Independent Director.

**Meetings:**

The Risk Management Committee shall meet at least twice in a year and maximum gap between two Risk Management Committee Meetings shall not exceed 180 days.

Role:

The role of the committee shall, *inter alia*, include the following:

- (1) to formulate a detailed risk management policy which shall include:
 - a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risks as may be determined by the Committee;
 - b) Measures for risk mitigation including systems and processes for internal control of identified risks;
 - c) Business continuity plan;
 - d) Discuss with senior management, the Company's Enterprise Risk Management (ERM) and provide oversight as may be needed;
 - e) Ensure it is apprised of the most significant risks along with the action that management would be taking and how it is ensuring effective ERM;
 - f) Reviewing risk disclosure statements in any public documents or disclosures;
 - g) Safety and Health risks.
- (2) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- (3) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- (4) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- (5) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- (6) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the Board of Directors.

**Business Continuity Plan:**

The objective of Business Continuity plan of Sanghvi Movers Limited is to ensure continuity of critical Business operations that are necessary for conducting Business during disaster and minimize the disruption of critical operations to near zero level by putting in place a robust and resilient business continuity strategy and framework while meeting Regulatory and compliance requirements. The Business continuity plan is developed to manage the impact of significant disruptions and will endeavour to resume business and operations to an acceptable level within a reasonable time in the event of a disaster.

Authority:

The Committee shall have free access to management information. The Committee, at its sole authority, may seek the advice of outside experts or consultants at the company's expense where judged necessary, to discharge its duties and responsibilities.

Responsibilities:

The Risk Management Committee is responsible for:

- a. To evaluate the Risk Management System, including Risk Management Policy, Risk Process (Risk Identification, Assessment, Mitigation and Monitoring) laid down by the Management.
- b. Being apprised of significant risk exposures of the Company and whether Management is responding appropriately to them.
- c. Perform other activities related to this Policy as requested by the Board of Directors or to address issues related to any significant subject within its term of reference.

Reporting:

The Committee shall report on its activities and summarize any recommendations before the Board meeting.

Review of Policy:

The adequacy of this Policy shall be reviewed and reassessed by the Committee at such intervals as the Committee deems appropriate and recommendations, if any shall be made to the Board to update the same from time to time.

Disclosures:

The Director's Report (part of the Annual Report) shall contain a statement indicating the 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.



According to the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and notifications issued by SEBI from time to time, the Risk Management Policy shall be disclosed on the website of the Company i.e. www.sanghvicranes.com.

Amendment:

This Policy shall be reviewed from time to time and the 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.

Approval:

This Policy was approved by the Board of Directors of the Company at its meeting held on 27 May 2021.