



SHIVALIK BIMETAL CONTROLS LTD.

RISK MANAGEMENT POLICY



## **SHIVALIK BIMETAL CONTROLS LIMITED**

### **RISK MANAGEMENT POLICY**

#### **OVERVIEW**

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 OF POLICY**

1. To ensure that all the current and future material risk exposures of the company are identified, assessed, quantified, appropriately mitigated, minimized 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.

#### **BACK GROUND AND IMPLEMENTATION**

The Company is prone to inherent business risks. This document is intended to formalize a risk management policy, the objective of which shall be identification, evaluation, monitoring and minimization of identifiable risks.

This policy is in compliance with the amended Clause 49 of the Listing Agreement (w.e.f. 1<sup>st</sup> October 2014) which requires the Company to lay down procedure for risk assessment and procedure for risk minimization.

The Board of Directors of the Company and the Audit Committee shall periodically review and evaluate the risk management system of the Company so that the management controls the risks through properly defined network.

Head of Departments shall be responsible for implementation of the risk management system as may be applicable to their respective areas of functioning



and report to the Board and Audit Committee.

### **RISK PROFILE**

The Company considers that any risk that could have a material impact on its business would be included in its risk profile. The risk profile of the Company as at the date this policy stands adopted by the Board and can be considered to comprise includes the following amongst others:-

- Market-related competition, internationally;
- Product development and approval;
- Technological developments;
- Forex rate fluctuations
- Metal Prices fluctuations
- International business scenario;
- Domestic Political stability; and
- Other business related risks.

### **DISCLOSURE IN BOARD'S REPORT**

Board of Directors shall 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.

### **CONSTITUTION OF RISK MANAGEMENT COMMITTEE**

Risk Management Committee shall be constituted by the company consisting of directors, key functionaries & senior management, as the Company thinks fit.

The Board shall define the roles & responsibilities of the Risk Management Committee & may delegate monitoring & reviewing of the risk management plan to the Committee & such other functions as it may deem fit.

### **APPLICATION**

This policy applies to all areas of the Company's operations.

### **ROLE OF THE BOARD**

The Board will undertake the following actions to ensure risk is managed appropriately. The Board shall :



## SHIVALIK BIMETAL CONTROLS LIMITED

- be responsible for framing, implementing and monitoring the risk management plan for the company.
- define the roles and responsibilities of the Risk Management Committee and may delegate monitoring and reviewing of the risk management plan to the Committee and such other functions as it may deem fit.
- ensure that the appropriate systems for risk management are in place.
- shall facilitate in bringing an independent director's judgment to bear on the Board's deliberations on issues of risk management and satisfy themselves that the systems of risk management are robust and defensible;
- participate in major decisions affecting the organization's risk profile;
- have an awareness of and continually monitor the management of strategic risks;
- satisfy itself to the effect that processes and controls are in place for managing the exposure to significant risks;
- satisfy itself that an appropriate accountability framework is working whereby any delegation of risk is documented and performance can be monitored accordingly;
- ensure that risk management is integrated into board reporting and annual reporting mechanisms;
- constitute any board-committees that are deemed necessary to ensure risk is adequately managed and resolved where possible.

### **REVIEW**

This policy shall be reviewed from time to time to ensure that it meets the requirements of legislation & the needs of organization.