

ANJANI PORTLAND CEMENT LIMITED

RISK MANAGEMENT POLICY

1. SCOPE

This policy establishes the outlook of Anjani Portland Cement Limited (“the Company”), towards,

- Identification of Risks
- Analyzing the Risk
- Prioritization of Risks
- Developing Risk Mitigation Plans

This policy is applicable to all the functions and departments of the Company.

2. OBJECTIVE

The objective of this policy is to manage the risks involved in all activities of the Company to maximize opportunities and minimize adversity. This policy is intended to assist in decision making processes that will minimize potential losses.

3. REGULATORY:

Risk Management Policy is framed in compliance with Section 134 (3) (n) of the Companies Act, 2013 and Regulation 17(9)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which requires the Company to develop and implement a Risk Management Policy / Plan and to lay down risk assessment and minimisation procedures.

4. DEFINITIONS

"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).

"Audit Committee" means Committee of Board of Directors of the Company constituted under the provisions of Companies Act, 2013.

"Policy" means Risk Management Policy.

5. APPROACH TO RISK MANAGEMENT

The following methodology will be adopted to identify and mitigate risks to which they are subjected,

- Risk identification and Evaluation
- Risk Estimation
- Risk Treatment

- **Risk identification and Evaluation**

The Board has to develop the Risk Management Strategy which shall encompass laying down guiding principles on proactive planning for identifying, analyzing and mitigating all the material risks, both external and internal viz. Environmental, Business, Operational, Financial and others.

Risk Identification is obligatory on all vertical and functional heads who with the inputs from their team members are required to report the material risks to the Managing Director (MD) along with their considered views and recommendations for risk mitigation.

Analysis of all the risks thus identified shall be carried out by Managing Director

Operational

Financial

Hazard

Identification of risks in a structured format

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 and Probability
Risk Tolerance/ Appetite	Loss Potential and Financial Impact of Risk
Risk Treatment and Control Mechanism	a) Primary Means b) Level of Confidence c)Monitoring and Review
Potential Action for Improvement	Recommendations to Reduce Risk
Strategy and Policy Development	Identification of Function Responsible to develop Strategy and Policy

Risk Estimation:

Risk Estimate can be quantitative, semi quantitative or qualitative in terms of probability of occurrence and possible consequences.

Risk Treatment

A clear understanding of a complete treatment strategy is important to ensure that critical dependencies and linkages are not compromised and to ensure the use of resources and budgets is efficient. For this reason development of an overall treatment strategy should be a top-down process, driven jointly by the need to achieve objectives and satisfy organizational and budgetary constraints while controlling uncertainty to the extent that this is desirable.

Reporting:

A risk agenda is to be developed by the functional heads on a yearly basis.

The reporting shall be done in the following manner,

FUNCTIONAL HEADS



MANAGING DIRECTOR



AUDIT COMMITTEE



BOARD OF DIRECTORS

ROLES OF THE FUNCTIONAL HEADS- All functional heads are individually responsible for identifying all potential risks and creating their own risk agenda.

ROLE OF THE MANAGING DIRECTOR- Managing Director required to assess, analyze and quantify considering the views and recommendations given by the functional heads and then report the same to the Audit Committee.

ROLE OF AUDIT COMMITTEE

- a) Review of the strategy for implementing risk management policy
- b) To examine the organization structure relating to Risk management
- c) Evaluate the efficacy of Risk Management Systems – Recording and Reporting
- d) To define internal control measures to facilitate a smooth functioning of the risk management systems
- e) Ensure periodic review of operations and contingency plans and reporting to Board in order to counter possibilities of adverse factors having a bearing on the risk management systems.

REVIEW

This policy shall evolve by review by the Audit Committee and the Board from time to time as may be necessary.

This Policy will be communicated to all vertical/functional heads and other concerned persons of the Company.

This policy has been recommended to the Board and approved by the Board.