

GANESH GRAINS LIMITED

CIN: U15311WB2000PLC091315

Regd. Office: 88, Burtolla Street, Kolkata-700007; E-mail: gwpl@ganeshgrains.com

RISK MANAGEMENT POLICY

BACKGROUND

This document lays down the framework of Risk Management at Ganesh grains Limited (hereinafter referred to as the '**Company**') and defines the policy for the same. This document shall be under the authority of the Board of Directors of the Company. It seeks to identify risks inherent in any business operations of the Company and lays down the mitigation methods which are periodically reviewed and modified in a manner commensurate with the size and complexity of the business.

OBJECTIVE

The main objective of the Risk Management Policy at Ganesh Grains Limited 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. 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.

The specific objectives of this Policy are:

- 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.
- To establish a framework for the company's risk management process and to ensure its implementation.
- To enable compliance with appropriate regulations, wherever applicable, through the adoption of best practices.
- To assure business growth with financial stability.

LEGAL FRAMEWORK

Risk Management Policy is framed as per the following regulatory requirements:

1. As per provisions of Section 134(3)(n) of the Companies Act, 2013

"There shall be attached to financial statements laid before a company in general meeting, a report by its Board of Directors, which 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."

2. As per provisions of Section 177(4)(vii) of the Companies Act, 2013

"Every Audit Committee shall act in accordance with the terms of reference specified in writing by the Board which shall, inter alia, include evaluation of internal financial controls and risk management systems."

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APPLICABILITY

This Policy applies to all areas of the Company's operations and shall come into force with effect from 11th January, 2019.

KEY DEFINITIONS

- **Risk Assessment:** The systematic process of identifying and analyzing risks. Risk Assessment consists of a detailed study of threats and vulnerability and resultant exposure to various risks.
- **Risk Management:** The systematic way of protecting business resources and income against losses so that the objectives of the Company can be achieved without unnecessary interruption.
- **Risk Management Process:** The systematic application of management policies, procedures and practices to the tasks of establishing the context, identifying, analyzing, evaluating, treating, monitoring and communicating risk.

RISK MANAGEMENT

1. The Company shall lay down procedures to inform Board members about the risk assessment and minimization procedures.
2. The Board shall be responsible for framing, implementing and monitoring the risk Management policy for the company.
3. The Board shall define the roles and responsibilities of the Business Process and Risk Management and Audit Committees and may delegate monitoring and reviewing of the risk management plan to the committee and such other functions as it may deem fit.

BROAD PRINCIPLES

The Board has to review the business plan at regular intervals and develop the Risk Management Policy which shall encompass laying down guiding principles on proactive planning for identifying, analyzing and mitigating all the material risks, both external and internal. We have sought to classify the types of risk as external business and operational.

Communication of Risk Management Strategy to various levels of management for effective implementation is essential.

Risk Identification is obligatory on all vertical and functional heads that with the inputs from their team members are required to report the material risks to the Business Process and Risk Management Committee along with their considered views and recommendations for risk mitigation.

Analysis of all the risks thus identified shall be carried out by an empowered management committee under the leadership of the MD (MD, CFO, Company Secretary and Chief Internal Auditor) through participation of the vertical/functional heads and a preliminary report thus finalized shall be placed before the Business Process and Risk Management Committee.

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RESPONSIBILITY FOR RISK MANAGEMENT

Generally every staff member of the Organization is responsible for the effective management of risk including the identification of potential risks. Management is responsible for the development of risk mitigation plans and the implementation of risk reduction strategies. Risk management processes should be integrated with other planning processes and management activities.

COMPLIANCE AND CONTROL

All the Senior Executives under the guidance of the Chairman and Board of Directors has the responsibility for over viewing management's processes and results in identifying, assessing and monitoring risk associated with Organization's business operations and the implementation and maintenance of policies and control procedures to give adequate protection against key risk. In doing so, the Senior Executive considers and assesses the appropriateness and effectiveness of management information and other systems of internal control, encompassing review of any external agency in this regards and action taken or proposed resulting from those reports.

REVIEW

This policy shall evolve by review by the Business Process and Risk Management Committee and the Board from time to time as may be necessary.

AMENDMENT

This Policy can be modified any time by the Board of Directors of the Company.