

RISK MANAGEMENT POLICY

1. INTRODUCTION

The Risk Management Committee (RMC) of NGL Fine-Chem Limited (“the Company”) was formed on 8th May, 2015, in compliance with SEBI (LODR) Regulations in order to ensure the Company’s affairs are carried out in a sound and prudent manner by managing its business, operating and financial risk by adopting appropriate risk management plan.

2. APPLICATION

This policy applies to all areas of the Company’s operations

3. CONSTITUTION OF RISK MANAGEMENT COMMITTEE

Risk Management Committee shall be constituted by the company consisting of such number of directors (executive or non-executive) 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.

4. ROLE AND RESPONSIBILITIES OF THE RISK MANAGEMENT COMMITTEE INCLUDES THE FOLLOWING:

- a. Framing of Risk Management Plan and Policy Overseeing implementation of Risk Management Plan and Policy
- b. Monitoring of Risk Management Plan and Policy
- c. Validating the process of risk management
- d. Validating the procedure for Risk Minimization
- e. Periodically reviewing and evaluating the Risk Management Policy and practices with respect to risk assessment and risk management processes
- f. Continually obtaining reasonable assurance from management that all known and emerging risks have been identified and mitigated or managed
- g. Performing such other functions as may be necessary or appropriate for the performance of its oversight function

5. RISK MANAGEMENT PLAN

Risk Management plan includes a step wise Risk managing process:

a) Identifying Risks

The company risk assessment methodology relies on the principle that those employees who have a very good knowledge of their respective areas of the business are in the best position to provide the necessary information and assessment of risks. As each risk is identified, information is passed regarding this risk throughout the identification, analysis, evaluation and treatment steps in relation to that risk.

b) Analyzing and Evaluating Risks

Each risk is analyzed to identify the consequence and likelihood of the risk occurring and the adequacy of existing controls. These measures are used to establish the priority and ranking of the risk, which in turn indicates the priority for risk treatment actions.

c) Treating Risks

Once the risks have been identified and assessed, risk treatment measures and actions are identified. Risk treatment activities may include tasks to:

- a. reduce the likelihood of risks;
- b. reduce the consequence of risks;
- c. reduce both the likelihood and consequence of risk;
- d. transfer the risk in part or in whole;
- e. accept the risk and do nothing; and/or avoid the risk by changing business practices

A priority is further established for each risk treatment action reflecting the complexity of the treatment, effort, funding and resources required. Each risk treatment action must also indicate the position manager responsible and the estimated dates for implementation.

d) Monitoring Risks

The RMC Committee oversees, reviews and monitors the risk register half yearly, or in the case of escalated and high priority risks, quarterly and report the same to the Board.

6. 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.

7. REVIEW

This policy shall be reviewed at a minimum at least every year to ensure it meets the requirements of legislation & the needs of organization.

Date: 10th August, 2022.
