

CHITRAKUT HOLDINGS LIMITED

RISK MANAGEMENT POLICY

OVERVIEW

This is 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.

ROLE OF BOARD OF DIRECTORS

The Board of Directors of the Company oversee the development of Risk Management Policy and the establishment, implementation and monitoring of the Company's risk management system, in accordance with the policy.

ROLE OF THE CHIEF EXECUTIVE OFFICER

The Chief Executive Officer has responsibility for identifying, assessing, monitoring and managing risks. The Chief Executive Officer is also responsible for identifying any material changes to the Company's risk profile and ensuring, with approval of the Board, the risk profile of the Company is updated to reflect any material change.

Implementation of the risk management system and day-to-day management of risk is the responsibility of the Chief Executive Officer, with the assistance of senior management, as required.

The Chief Executive Officer is required to report to the Board as to the effectiveness of the Company's management of its material business risks on a regular basis.

RISK PROFILE

The Company considers that any risk that could have a material impact on its business should be included in its risk profile. The areas of risk include,

- a. Credit Risk
- b. Interest Rate Risk
- c. Equity / commodity Price Risk
- d. Competition Risk
- e. Financial Risk including Foreign Exchange Risk
- f. Realisation Risk
- g. Liquidity Risk

- h. Operational Risk
- i. Legal Risk

The key risk management process would include

- i. Risk Identification
- ii. Assessment of identified risk
- iii. Risk measurement
- iv. Risk mitigation
- v. Monitoring of the risk mitigation efforts
- vi. Risk reporting and disclosures
- vii. Integration with strategy and business plan

ROLE OF AUDIT

A strong and independent Internal Audit Function at the corporate level carries out risk focussed audit across business, enabling identification of areas where risk management processes may need to be improved. The Audit Committee of the Board reviews Internal Audit findings, and provides strategic guidance on internal controls. It also monitors the internal control environment within the Company and ensures that Internal Audit recommendations are effectively implemented.

RESPONSIBILITY TO STAKEHOLDERS

The Company considers the reasonable expectations of stakeholders particularly with a view to preserving the Company's reputation and success of its business. Factors which affect the Company's continued good standing are included in the Company's risk profile.

CONTINUOUS IMPROVEMENT

The Company's risk management system is always evolving. It is an ongoing process and it is recognised that the level and extent of the risk management system will evolve commensurate with the development and growth of the Company's activities. The risk management system is a "living" system and the documentation that supports it will be regularly reviewed and updated in order to keep current with Company circumstances.

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