

TIRUPATI FORGE LIMITED

CIN: L27320GJ2012PLC071594



RISK MANAGEMENT POLICY

BACKGROUND

The Securities and Exchange Board of India (“the SEBI”) has notified SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI (LODR) Regulations”) vide notification no. SEBI/LAD/NRO/GN/2015-16/013, dated 2nd September, 2015, which was effective from 2nd December, 2015 (90 days from the publication in official gazette). In accordance with Section 134(3)(n) of the Companies Act, 2013, a company is required to 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 and further as per Regulation 17 of the SEBI (LODR) Regulations, the board of directors shall be responsible for framing, implementing and monitoring the risk management plan for the listed entity.

Accordingly, to mitigate and manage risk at “TIRUPATI FORGE LIMITED” (hereinafter referred to as the “Company”), the Company has formed the policy (the “Risk Management 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 the operations of the Company and provides guidelines to define, measure, report, control and mitigate the identified risks.

OBJECTIVE

The objective of the Risk Management Policy of the Company is to create and protect shareholders value by minimizing threats or losses, and identifying and maximizing opportunities. This Risk Management Policy is being applied in order to ensure that effective management of risks is an integral part of every employee’s job. These include

- a) Providing a framework that enables future activities in a consistent and controlled manner;
- b) Improving decision making, planning and prioritization by comprehensive and structured understanding of business activities, volatility and opportunities/ threats;
- c) Contributing towards more efficient use/ allocation of the resources within the organization;
- d) Protecting and enhancing assets and company image;
- e) Developing and supporting people and knowledge base of the organization;
- f) Optimizing operational efficiency;
- g) 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.

RISK MANAGEMENT

Risk management is the process of systematically identifying, quantifying, mitigating and managing all risks and opportunities that can affect achievement of Corporation's strategic and financial goals.

The Company shall lay down procedures to inform Board members about the risk assessment and minimization procedures. The Board shall be responsible for framing, implementing and monitoring the risk management plan for the company.

The company will also constitute a Risk Management Committee or other committee as it may deem fit. The Board shall 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.

RISK MANAGEMENT POLICY

In order to fulfil the objectives of this policy and lay a strong foundation for the development of an integrated risk management framework, the policy outlines the following guiding principles of Risk Management:

Principle of Risk Management

- a) All business decisions will be made with the prior information and acceptance of risk involved;
- b) The Risk Management Policy shall provide for the enhancement and protections of business value from uncertainties and consequent losses;
- c) All employees of the Company shall be made aware of risks in their respective domains and their mitigation measures;
- d) The risk mitigation measures adopted by the Company shall be effective in the long term and to the extent possible to embed in the business processes of the Company;
- e) Risk tolerance levels will be regularly reviewed and decided upon depending on the change in Company's Strategy;
- f) The occurrence, progress and status of all risks will be promptly reported and appropriate actions be taken thereof.

Risk Management Policy Statement

The policy statement is given as below:

- a) To ensure protection of shareholders value through the establishment of an integrated risk management Framework for identifying, assessing, mitigating, monitoring, evaluating and reporting of all risks.
- b) To provide clear and strong basis for informed decision making at all levels of organisation.
- c) To continually strive towards strengthening the Risk Management System through Continuous learning and improvement.

RISK MANAGEMENT FRAMEWORK

The Company has established following three layer framework for risk identification, evaluation, control, minimization and mitigation:

- a) All head of departments are responsible for identifying and assessing risks within their area of responsibility and report to Board of Directors.
- b) The Board of Directors shall evaluate such risk and suggest actions to be taken to control, minimized & mitigate the risk. Department heads shall be responsible for implementation of action suggested by the Board of Directors.
- c) The Board of Directors shall periodically review the risks report and shall inform to the Audit Committee about major risks faced by the Company and mitigation action thereof in case the Committee considers so.
- d) The Audit Committee shall periodically review details received from the Board of Directors and shall report to the Board in case the Audit Committee considers so.

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.

REVIEW

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