

## **RISK MANAGEMENT POLICY**

### **Introduction**

Oxford Dictionary defines the term “**risk**” as *a chance or possibility of danger, loss, injury or other adverse consequences.*

This Policy represents the basic standards of Risk Assessment to be followed by the company in compliance with the Listing Agreement which lays down the procedures about the risk strategy and management. Changes in the Policy will become effective upon approval by the Board of Directors (hereinafter referred to as the “Board”) of the Company. All relevant employees must be thoroughly familiar or made familiar with it and make use of the material contained in this Policy.

This document lays down the framework of Risk Management at Jaisukh Dealers Limited (hereinafter referred to as the ‘Company’) and defines the policy for the same. It seeks to identify risks inherent in any business operations of the Company and provides guidelines to define, measure, report, control and mitigate the identified risks.

### **Strategic Objectives**

1. Providing a framework that enables future activities to take place in a consistent and controlled manner.
2. Improving decision making, planning and prioritization by comprehensive and structured understanding of business activities, volatility and opportunities/ threats.
3. Contributing towards more efficient use/ allocation of the resources within the organization.
4. Protecting and enhancing assets and company image.
5. Reducing volatility in various areas of the business.
6. Developing and supporting people and knowledge base of the organization.
7. Optimizing operational efficiency.

### **Strategic Framework**

We adopt systematic approach to mitigate risks associated with accomplishment of objectives, operations, revenues and regulations. We believe that this would ensure mitigating steps proactively and help achieve stated objectives. The entity’s objectives can be viewed in the context of four categories: (1) Strategic, (2) Operations, (3) Reporting and (4) Compliance.

This policy primarily focuses on identifying, assessing and monitoring risk in the following area:

#### **Company Assets & Property**

The policy deals with risk involved in management of assets and property of the Company. The Policy aims to ensure proper security and maintenance of assets and property. For the Company, its employee constitute of the most important asset of the Company. Thus, the Policy also covers risk related to employees and their act/omission. The policy aims at security of Employees, providing adequate legal safeguards to protect confidential information.

#### **Competition**

Risk of the Competition is inherent in all the business activities. The Company faces competition with various organizations in the economy operating in the segment in which Company operates. Company’s policy is to leverage its investment in a way which has value creation.

#### **Revenue Concentration**

High concentration in any single business segment exposes the company to the risks inherent in that segment. We have adopted prudent norms based on which we monitor and prevent undesirable

concentration in a particular segment. Company's policy is of increasing business volumes with minimum exposure to undue risks.

### **Inflation and Cost Structure**

The cost of revenues has a very high degree of inflationary certainty. At organizational level, cost Optimization and cost reduction initiatives are implemented and are closely monitored.

### **Financial Reporting Risks**

Changing laws, regulations and standards relating to accounting, corporate governance and public disclosure, Securities and Exchange Board of India (SEBI) rules, and Indian stock market listing regulations are creating uncertainty for companies. These new or changed laws, regulations and standards may lack specificity and are subject to varying interpretations. We are committed to maintaining high standards of corporate governance and public disclosure and our efforts to comply with evolving laws, regulations and standards in this regard would further help us address these issues.

### **Risk of Corporate accounting fraud**

Corporate accounting fraud is business scandals arising out of misusing or misdirecting of funds, overstating revenues, understating expenses etc. The Company mitigates this risk by

- Conducting risk assessments,
- Adhering to internal control practices,
- Enforcing and monitoring code of conduct for key executives,
- Instituting Whistleblower mechanisms,
- Understanding the applicable laws and regulations.

### **Risk Assessment**

To meet the stated objectives, it is imperative to make effective strategies for exploiting opportunities and as a part of this the Company has identified key risks and developed plans for managing the same.

### **Conclusion**

The combination of policies processes as outlined above adequately addresses the various risks associated with your Company's businesses. The senior management of the Company periodically reviews the risk management's framework to maintain its contemporariness so as to effectively address the emerging challenges in a dynamic business environment.