



Relationships, By Design

MANOJ VAIBHAV GEMS 'N' JEWELLERS LIMITED

Policy ref : 10/2022

RISK MANAGEMENT POLICY

[Pursuant to Regulation 17(9) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 & Applicable Provisions]

RISK MANAGEMENT POLICY

➤ RISK MANAGEMENT

Manoj Vaibhav Gems 'N' Jewellers Limited recognises that enterprise risk management is an integral part of good management practice that enables and helps the management remain geared up to face any foreseeable eventuality in the course of its business. The Company manages and operates retail stores across the states of A.P. and Telangana. In view of business structure of the Company, it becomes all the more imperative on its part to have in place a robust Risk Management Policy, that can handle varied risks peculiar to each type of geographies and broad customers pattern. Risk Management is an essential element in achieving business goals and deriving benefits from market opportunities.

Effective risk management allows us to:

- Have increased confidence in achieving our goals
- Manage risks at tolerable levels
- Make informed decisions
- Strengthen corporate governance procedures

➤ OBJECTIVE

The risk management objectives are to;

- embed the management of risk as an integral part of our business processes;
- establish an effective system of risk identification, analysis, evaluation and treatment within all areas and all levels of the Company;
- avoid exposure to significant financial loss;
- contribute to the achievement of the Company's objectives; and
- assess the benefits and costs of implementation of available options and controls to manage risk.

➤ **REGULATORY**

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

A. Companies Act, 2013:

1. Provisions of the Section 134(3)

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

(n) 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. Section 177(4) stipulates:

"Every Audit Committee shall act in accordance with the terms of reference specified in writing by the Board which shall, inter alia, include,—

(vii) Evaluation of internal financial controls and risk management systems."

3. Schedule IV [Section 149(8)] :

Code for Independent Directors:

II. Role and functions:

"The independent directors shall:

(1) Help in bringing an independent judgment to bear on the Board's deliberations especially on issues of.....risk management....

(4) Satisfy themselves that the Systems of risk management are robust and defensible."

B. Regulation 4 & 17 of SEBI (Listing Obligations and Disclosures Requirements)

Regulations, 2015:

Key functions of the Board

- The board should fulfil certain key functions, including:
- Reviewing and guiding risk policy
- Ensuing the integrity of the company's system for risk management
- Lay down procedure to inform members of Board of Directors about risk assessment and minimization procedure.

- responsible for framing, implementing and monitoring the risk management plan for the Company
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.

Role of the Audit Committee (Regulation 18(3))

Evaluation of internal financial controls and risk management systems

➤ **POLICY STATEMENT**

- All employees are responsible for managing risk in so far as is reasonably practicable within their area of activity.
- Sound risk management principles and practices will become an integral part of the normal management strategy for all departments within the Company.
- Implementation of risk management strategy is a priority and will be accomplished through embedding a risk management ethos in all aspects of the Company's activity.
- Accountability for managing risk must be clear and reflected in all individual job descriptions, with relevant key performance indicators.
- The management of risk will be integrated into the Company's existing strategic planning and operational process and is to be fully recognised in the funding and reporting processes.
- Will ensure that the necessary resources are made available to those accountable and responsible for the management of risk.
- This policy will be reviewed and updated as required on an annual basis or in the event of a significant change of circumstances.

➤ **ROLES AND RESPONSIBILITIES**

The Managing Director is accountable for ensuring risk is managed across all activities.

The Risk Officer is the person responsible for drawing up a plan for the management of risk throughout the Company. Managers, at all levels, are required to create an environment where the management of risk is accepted as the personal responsibility of all employees, volunteers and contractors.

The Managers are accountable for the implementation and maintenance of sound risk management processes and structures within their area of responsibility in conformity with this risk management policy. All employees are to be actively involved in the management of risk.

The Risk Officer is responsible for the provision of advice and service assistance to all areas on risk management matters. In order for the Board to be properly informed of the status of risks being faced by the Company, all departments are required to report regularly on risks assessed and progress with respect to their management.

Reports are to be submitted to the Board for each quarter utilising a standard format so that details of all identified significant risks can be addressed.

The quarterly report will be reviewed by the Committee in terms of endorsing the actions undertaken or proposed, and by the Board in terms of the appropriateness of actions and compliance with the Risk Management Policy.

As part of their compliance activities, all relevant departments will also be required to maintain a risk register that provides details of all identified risks together with their assessment of likelihood and consequence, who owns them and what can be done to manage them in compliance with the Risk Management Policy.

➤ **EDUCATION AND TRAINING**

The Risk Officer is responsible for the development and provision of risk management awareness training as well as specific training and education programmes throughout the Company. This training and education is to address the needs of all directors, employees and volunteers including senior management.
