TEESTA URJA LIMITED

RISK MANAGEMENT POLICY (RMP)

RISK:

According to Oxford Dictionary meaning, term “risk” means a chance or possibility of danger, loss, injury or other adverse consequences.

RISK MANAGEMENT:

Risk management is attempting to identify, assessment, minimization and then management of threats that could severely impact or bring down the organization. Generally, this involves reviewing operations of the organization, identifying potential threats to the organization and the likelihood of their occurrence, and then taking appropriate actions to address the most likely threats.

i) The Board and executive management of the Company should collectively identify the risks impacting the Company's business and document their process of risk identification, risk assessment, risk minimization as a part of a risk management policy or strategy.

ii) The Board should also affirm and disclose in its report to members that it has put in place a risk management policy to be followed in the Company, which may be monitored and assessed once every six months by the Board. The disclosure should also include a statement of those elements of risk, that the Board feels, may threaten the existence of the Company.

DISCLOSURE:

The 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.

RISK MANAGEMENT PHILOSOPHY:

The Company believes that risk is an integral and unavoidable component of any business and committed to managing the risk in a proactive and effective manner. The Company further recognizes that the Risk cannot be eliminated. However, it can be:

- **Transferred** to another party, who is willing to take risk, by subscribing an insurance policy or entering into a forward contract;

- **Reduced**, by having good internal controls;

- **Avoided**, by not entering into risky businesses;

- **Shared**, by following a middle path between retaining and transferring risk.
OBJECTIVES OF THE RISK MANAGEMENT POLICY:

1. 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.

2. To establish a framework for the Company’s risk management process and to ensure its implementation.

3. To enable compliance with appropriate regulations, wherever applicable, through the adoption of best practices.

4. To assure business growth with financial stability.

RISK IDENTIFICATION AND MITIGATION

Following risks associated with the Business to be identified and suitable impact analysis with mitigation major to be assessed:

- Regulatory Risk
- Financial Risk
- Project Execution/Construction Risk
- Market Risk
- Operation Risk
- Political Risk &
- Any other risk associated with the business

IMPLEMENTATION:

For the compliance of Section 134 of the Companies Act, 2013 (that comes in effect from 1st April, 2014), 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.

The Board of Directors of the Company shall periodically review and evaluate the risk management system of the Company so that the management controls the risks through properly defined network.

Head of Departments shall be responsible for implementation of the risk management system as may be applicable to their respective areas of functioning and report to the Board and Audit Committee.

Every Head of Departments shall also give details regarding any apparent risk and prospective opportunities relating to their departments on periodic basis to the Board.
APPLICATION:

The Risk Management Policy applies to all areas of the Company’s operations and business.

ROLES & RESPONSIBILITIES:

The Board may define the roles & responsibilities of the Head of Departments & may delegate monitoring & reviewing of the risk management plan to the Committee & such other functions as it may deem fit.

REVIEW AND AMENDMENTS:

This policy shall be reviewed at least once in a year to ensure it meets the requirements of legislation & the needs of organization. The Company reserves its right to amend or modify this Policy in whole or in part as circumstances so warrants, at any time without assigning any reason whatsoever.