

# **Bhageria Industries Limited**

## **Risk Management (RM) Policy**

**(Year 2025-26)**

### **1. Introduction**

Risk management is a critical enabler for achieving strategic and operational goals in today's dynamic business environment. Bhageria Industries Limited acknowledges that risk is inherent to all aspects of business and may affect economic performance, reputation, and compliance.

An enterprise-wide risk management approach allows Bhageria to anticipate, manage, and mitigate risks systematically across all departments and business units. By implementing a structured RM framework, Bhageria aims not only to protect value but also to unlock opportunities and ensure sustainable growth.

### **2. Objective**

The key objective of Bhageria's RM Policy is to:

- Ensure long-term business continuity and stability
- Promote a proactive risk culture across the organization
- Create a structured approach to identify, assess, and manage all types of risks

### **3. Regulatory Compliance**

This policy is framed in alignment with:

- **Companies Act, 2013** – Sections 134(3)(n), 149(8), 177(4)
- **SEBI (LODR) Regulations, 2015**
- **DPE Guidelines and Corporate Governance Voluntary Guidelines**

The Board and Audit Committee are responsible for framing, implementing, and overseeing the risk management framework and ensuring compliance with statutory obligations.

### **4. Risk Management Policy Statement**

Bhageria Industries is committed to developing and maintaining a comprehensive RM framework that:

- Assigns clear responsibilities at all levels
- Ensures resource allocation for mitigation
- Promotes a risk-aware culture
- Complies with all applicable legal and regulatory requirements

The company recognizes its exposure to diverse uncertainties in both domestic and global operations. Through this policy, Bhageria aims to strengthen its ability to make informed decisions and meet stakeholder expectations.

## **5. Specific Objectives of the Policy**

- Identify, assess, mitigate, and monitor material risks across all operations
- Establish a uniform risk assessment and reporting process
- Enable regulatory compliance through best practices
- Assure financial stability and business growth
- Promote periodic evaluation and application of risk mitigation plans

## **6. RM Framework**

Bhageria's RM framework is built on five key pillars:

1. **Governance & Culture** – Establishing tone at the top, ethical values, and accountability
2. **Strategy & Objective Setting** – Aligning risk appetite with strategic goals
3. **Performance** – Identifying and responding to key risks impacting objectives
4. **Review & Revision** – Adapting risk controls with changing internal and external conditions
5. **Information, Communication & Reporting** – Ensuring clear communication and risk transparency across levels

## **7. Risk Governance Structure**

### **7.1 Risk Management Committee (RMC)**

- Board-level committee responsible for approving and monitoring the RM framework
- Reviews and recommends key risk policies and disclosures

### **7.2 Risk Assessment Committee (RAC)**

- Headed by the **Chief Risk Officer (CRO)** and includes department heads
- Responsible for identifying and assessing risks, suggesting mitigation plans, and updating the Risk Register

### **7.3 Chief Risk Officer (CRO)**

- Coordinates the risk management process, reporting, and training
- Communicates regularly with the RMC

### **7.4 Risk Cell**

- Operational team supporting the CRO in compiling, updating, and maintaining risk data

## **7.5 Risk Coordinators**

- Department heads who identify risks within their functions and report mitigation status

## **7.6 Risk Reporting Structure**

- Risks reported from departments → Risk Coordinators → CRO → RAC → RMC → Board

# **8. Risk Management Process**

## **Risk Categories**

- **Strategic Risks** – Business decisions and planning
- **Financial Risks** – Capital exposure, credit, liquidity
- **Operational Risks** – Process failures, supply chain issues
- **Compliance Risks** – Legal, regulatory breaches

## **Assessment Method**

- Risks are measured using likelihood and impact matrices (5x5 scale)
- Risks are rated and prioritized for treatment

## **Treatment Approaches**

- **Avoidance** – Exit activities causing unmanageable risks
- **Reduction** – Apply controls to minimize risk
- **Transfer** – Insurance or third-party contracts
- **Acceptance** – Monitor and prepare for residual risks

# **9. Key Enterprise Risks Identified**

(Actual risk register to be maintained internally and updated periodically)

Some broad areas of risks include:

- **Supply Chain Disruptions**
- **Environmental and EHS Compliance**
- **Project Delays**
- **Cybersecurity and IT Risks**
- **Liquidity and Market Risks**
- **Human Resource Turnover**
- **Reputation and ESG Risks**
- **Political and Regulatory Shifts**
- **Technological Obsolescence**

# **10. Risk Monitoring and Review**

- The Risk Register will be updated quarterly based on reports from departments
- RMC to review and revise mitigation plans at least **once in two years**
- Risk audit and performance evaluations will be part of the internal review mechanism

## **11. Risk Awareness and Training**

- Annual training (3–5 days) for Risk Coordinators
- Risk awareness campaigns and sessions for employees across all locations

## **12. Operation of Policy**

- **Approval:** Final authority rests with the Board on recommendation of the RMC
- **Review:** Policy to be reviewed every two years or as needed
- **Maintenance:** Risk Register to be maintained centrally and updated as per policy guidelines

## **13. Conclusion**

This RM Policy enables Bhageria Industries Limited to institutionalize risk-conscious decision-making and protect long-term shareholder value. It provides a governance-based, forward-looking risk framework essential for navigating today's dynamic and competitive business environment.

