

RISK MANAGEMENT POLICY

TRIVENI GLASS LIMITED

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POLICY INDEX

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RISK MANAGEMENT POLICY

1. **Introduction:**

This Policy is in compliance with SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015 and provisions of Companies Act, 2013 read with Rules made thereunder which requires the Company to lay down procedures about the risk assessment and risk minimization.

Triveni Glass Limited (the "Company") recognizes that enterprise risk management is an integral part of good management practice. Risk management is an essential element in achieving business goals and deriving benefits from market opportunities.

2. **Policy Overview:**

The Company's risk management policy relates to identification, assessment, monitoring and mitigation of various risks to our business. The policy seeks to minimize adverse impact on our business objectives and enhance stakeholder value. Further, our risk management practices seek to sustain and enhance long-term competitive advantage of the Company.

3. **Risk Management Framework:**

3.1 Risk Management Structure:

The Audit Committee of Directors shall periodically review the risk management policy of the Company and evaluate the risk management systems so that management controls the risk through a 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.

3.2 Risk Management Program:

The Company's risk management program comprises a series of processes, structures and guidelines which assist the Company to identify, assess, monitor and manage its business risk including any material changes to its risk profile.

To achieve this, the Company has clearly defined the responsibility and authority of its Board of Directors to oversee and manage the risk management program, while conferring responsibility and authority on the Company's senior management to develop and maintain the risk

management program in the light of the day-to-day needs of the Company. Regular communication and review of the risk management practice provides the Company with important checks and balances to ensure the efficacy of its risk management program.

3.3 Risk categories & Mitigation Measures:

The following broad categories of risks have been considered in the risk management framework:

1) Business dynamics: Variance in the demand and supply of the product in various areas. Based on experience gained from the past, the Company is able to predict the demand during a particular period and accordingly supply is planned and adjusted.

2) Business Operations Risks: These risks relate broadly to the company's organization and management, such as planning, monitoring and reporting systems in the day-to-day management process namely: Organization and management risks, Production, process and productivity risks, Business interruption risks, Profitability risks

Risk mitigation measures: The Company functions under a well-defined organization structure. Flow of information is well defined to avoid any conflict or communication gap between two or more Departments. Second level positions are created in each Department to continue the work without any interruption in case of non-availability of functional heads. Sufficient stock of raw materials is kept to ensure continuous production. Effective steps are being taken to reduce cost of production. Back-up Captive power generating capacity for uninterrupted production. Strong HR Department to maintain excellent and cordial relations at all levels of employment.

3) Liquidity Risks: Financial Solvency and liquidity risks borrowing limits Cash management risks

Risk mitigation measures: Proper financial planning is put in place. Annual and Quarterly Budgets and Variance Analyses are prepared to have better financial planning. Daily, monthly cash flows are prepared. Cash management services are availed from Bank to avoid any loss of interest on collections. Exposure to Foreign Exchange transactions are supported by LCs and Bank Guarantee and suitable hedging policy.

4) Credit Risks: Risks in settlement of dues by clients. Provision for bad and doubtful debts.

Risk mitigation measures: Systems put in place for assessment of creditworthiness of Customers. Provision for bad and doubtful debts made to arrive at correct financial position of the Company. Appropriate recovery management and follow up.

5) Logistic Risks: Use of outside transport sources.

Risk mitigation measures: Sourcing committed and dedicated service providers. Exploring possibility of an in-house logistic mechanism if the situation demands. Possibilities to optimize the operations, by having a combination of transportation through road / rail and sea / air are explored. Comprehensive transit risk insurance coverage for all incoming and outgoing goods across the organization.

6) Market Risks / Industry Risks: Demand and Supply Risks Quantities, Qualities, Suppliers, lead time, interest rate risks Raw material rates Interruption in the supply of Raw material

Risk mitigation measures: Raw materials are procured from different sources at competitive prices. Alternative sources are developed for uninterrupted supply of raw materials Demand and supply are external factors on which company has no control, but however the Company plans its production and sales from the experience gained in the past. The Company tries to reduce the gap between demand and supply. Proper inventory control systems have been put in place.

7) Human Resource Risks: Employee Turnover Risks, involving replacement risks, training risks, skill risks, etc. Unrest Risks due to Strikes and Lockouts.

Risk mitigation measures: Company has proper recruitment policy for recruitment of personnel at various level in the organization. Proper appraisal system to give yearly increment is in place. Employees are trained at regular intervals to upgrade their skills. Labour problems are obviated by negotiations and conciliation. Activities relating to the Welfare of employees are undertaken.

8) Disaster Risks: Natural risks like fire, Floods, Earthquakes, etc.

Risk mitigation measures: The property of the company is insured against natural risks, like fire, flood, earthquakes, etc. Fire Hydrants have been installed at all manufacturing locations. Other apparatus like extinguishers filled with chemical, Foam etc. have been placed at fire sensitive locations and regular fire safety drills are carried out. First aid training is given to watch and ward staff and safety personnel. Workmen of the company are covered under ESI, EPF, etc., to serve the welfare of the workmen. Engaging professional Risks Assessing Advisors who conduct periodical audit / review and suggest risks improvement measures from time to time.

9) System Risks: System capability System reliability Data integrity risks Coordinating and interfacing risks.

Risk mitigation measures: EDP department maintains repairs and upgrades the systems on a continuous basis with personnel who are trained in software and hardware. Password protection is provided at different levels to ensure data integrity. Licensed software is being used in the systems. The Company ensures "Data Security", by having access control / restrictions.

4. Oversight and Key Risk Management Practices:

A. Board

The Board is responsible for framing, implementing and monitoring the risk management plan for the Company. The audit committee or management may also refer particular risk management issues to the Board for final consideration and direction.

B. Audit Committee

The audit committee is responsible for ensuring that the Company maintains effective risk management and internal control systems and processes, and provides regular reports to the Board on the effectiveness of the risk management program in identifying and addressing material business risks. To achieve this, the audit committee is responsible for:

- managing and monitoring the implementation of action plans developed to address material business risks within the Company and its business units, and regularly reviewing the progress of action plans;
- setting up internal processes and systems to control the implementation of action plans;
- regularly monitoring and evaluating the performance of management in managing risk;
- providing management and employees with the necessary tools and resources to identify and manage risks;
- regularly reviewing and updating the current list of material business risks;
- regularly reporting to the Board on the status of material business risks; and
- ensuring compliance with regulatory requirements and best practices with respect to risk management.

C. Senior management

The Company's senior management is responsible for designing and implementing risk management and internal control systems which identify material risks for the Company and aim to provide the Company with warnings of risks before they escalate. Senior management must implement the action plans developed to address material business risks across the Company.

Senior management should regularly monitor and evaluate the effectiveness of the action plans and the performance of employees in implementing the action plans, as appropriate. In addition, senior management should promote and monitor the culture of risk management within the Company and compliance with the internal risk control systems and processes by employees. Senior management should report regularly to the Board regarding the status and effectiveness of the risk management program.

D. Employees

All employees are responsible for implementing, managing and monitoring action plans with respect to material business risks, as appropriate.

5. Review of risk management program

The Company regularly evaluates the effectiveness of its risk management program to ensure that its internal control systems and processes are monitored and updated on an ongoing basis. The division of responsibility between the Board, audit committee and senior management aims to ensure that specific responsibilities for risk management are clearly communicated and understood. The reporting obligations of senior management and audit committee ensures that the Board is regularly informed of material risk management issues and actions. This is supplemented by the evaluation of the performance of the risk management program and audit committee, senior management and employees responsible for its implementation.
