

SHREE KRISHNA INFRASTRUCTURE LIMITED

Risk Management Policy



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INTRODUCTION

The Board of Directors (the “Board”) of Shree Krishna Infrastructure Limited (the “Company”) has adopted the following policy and procedures with regard to Risk Management as defined below. The Board may review and amend this policy from time to time.

LEGAL FRAMEWORK

Section 134 (3) (n) of the Companies Act, 2013 requires the Company to frame Risk Management Policy to identify various elements of risk and steps taken to mitigate the same. Risk Management is a key aspect of the “Corporate Governance Principles and “Code of Conduct” which aims to improve the governance practices across the Company’s activities. Risk Management Policy and processes will enable the Company to proactively manage uncertainty and changes in the internal and external environment to limit negative impacts and capitalize on opportunities.

Furthermore, Regulation 17 (9) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“Listing Regulations”), requires that the Company set out procedures to inform the Board of risk assessment and minimization procedures and makes the Board responsible for framing, implementing and monitoring the risk management plan of the Company.

POLICY OBJECTIVE

In line with the Company’s objective towards increasing stakeholder value, a Risk Management Policy has been framed, which attempts to identify the key events / risks impacting the business objectives of the Company and attempts to develop risk policies and strategies to ensure timely evaluation, reporting and monitoring of key business risks.

POLICY

The main objective of this Policy is to ensure sustainable business growth with stability and to promote a pro-active approach in reporting, evaluating and resolving risks associated with the business. In order to achieve the key objective, the policy establishes a structured and disciplined approach to Risk Management, in order to guide decisions on risk related issues. Risk Management framework shall primarily focus on following elements:

A) Risk to Company Assets and Property- It is ensured that there is proper security and maintenance of assets and adequate coverage of insurance to facilitate replacement of assets with minimal disruption to operations.

B) Employees Related Risks - Employees constitute the most important assets of the Company. The Human Resources Policies have been evolved over the years with the object of mitigating employee related risks including reducing attrition rate. Adequate legal safeguards have been provided to protect confidential information, and protect the Company from any probable contractual liability on account of misconduct/errors/omissions of employees.

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C) Risks associated with Non-Compliance of Statutory enactments -The Company is a legal entity incorporated under the provisions of the Companies Act, 1956 engaged in Infrastructure related business, and its shares are listed on the SME platform of BSE Limited. The Company is required to ensure compliance of provisions of various applicable statutory enactments. The Company ensures that qualified professionals are employed to comply with various applicable laws.

D) Competition Risks -Risk of competition is inherent to all business activities. The Company is engaged in business of Infrastructure related business, there is always an inherent risk of uncertain productivity of resources, weather or seasonal implications and industrial relations problems, financial risks include inflation, availability and fluctuation of foreign exchange, delay in payment, repatriation of funds and local taxes, technical risks, political risks. Changes cannot be eliminated, however, by applying risk management in various projects are able to improve the Business management.

Our risk management approach is composed primarily of three components:

- **Risk Governance**
- **Risk Identification**
- **Risk Assessment and Control**

Risk Governance:

The functional heads of the Company are responsible for managing risk on various parameters and ensure implementation of appropriate risk mitigation measures. The Risk Management Committee provides oversight and reviews the risk management policy from time to time.

Risk Identification:

External and internal risk factors that must be managed are identified in the context of business objectives.

Risk Assessment and Control:

This comprises the following:

- Risk assessment and reporting
- Risk control
- Capability development

On a periodic basis risk, external and internal risk factors are assessed by responsible authority across the organization. The risks are identified and formally reported through mechanisms such as operation reviews and committee meetings. Internal control is exercised through policies and systems to ensure timely availability of information that facilitate pro-active risk management.
