

SHIVKAMAL IMPEX LIMITED

RISK MANAGEMENT POLICY *(As per section 134 (3) (n) of Companies Act 2013)*

1. INTRODUCTION

The increasing global trends in digitisation driven by the forces of social, mobility, analytics and cloud coupled with the large size of the addressable global market and the relatively low current levels of penetration of the target markets suggest significant headroom for future growth. The Company has positioned itself well for the growth in business with an aligned strategy, structure and capabilities.

2. OBJECTIVE

The objective of Risk Management at Shiv Kamal Impex Limited is to create and protect shareholder value by minimizing threats or losses, and identifying and maximizing opportunities. An enterprise-wide risk management framework is applied so that effective management of risks is an integral part of every employee's job.

Strategic Objective:

1. Providing a framework that enables future activities to take place in a consistent and
2. controlled manner.
3. Improving decision making, planning and prioritization by comprehensive and structured
4. understanding of business activities, volatility and opportunities/ threats.
5. Contributing towards more efficient use/ allocation of the resources within the organization.
6. Protecting and enhancing assets and Company image.
7. Reducing volatility in various areas of the business.
8. Developing and supporting people and knowledge base of the organization.
9. Optimizing operational efficiency.

3. RISK MANAGEMENT ANALYSIS

As per section 134(3) (n) of the Companies Act, 2013 ("the Act") requires the Board of Directors of a Company, as a part of the Board Report, to give a statement indicating development and implementation of a risk management policy for the Company including identification therein of element of risk, if any, which in the opinion of Board may threaten the existence of Company.

Further, the provisions of Section 177(4)(vii) of the Companies Act, 2013 require that every Audit Committee shall act in accordance with the terms of reference specified in writing by the Board which shall inter alia include evaluation of risk management systems.

Pursuant to Reserve Bank of India (Non-Banking Financial Companies- Governance) Directions, 2025, an NBFC shall constitute a Risk Management Committee (RMC) either at the Board or executive level. The RMC shall be responsible for evaluating the overall risks faced by the NBFC including liquidity risk and shall report to the Board.

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In line with the above requirements, it is therefore, required for the Company to frame and adopt a “Risk Management Policy” (this Policy) of the Company Risk Management being one of the key functions of Board where responsibility is cast upon the board to:

- Review and guide risk policies.
- Ensure that appropriate system of control is in place, in particular, system for risk management.
- Ensure that while rightly encouraging positive thinking, it doesn't result over-optimism that either leads to significant risk not being recognised or exposed to the Company to excessive risk.
- Have ability to 'step back' to assist executive management by challenging the assumptions underlying the risk appetite.

4. RISK MANAGEMENT COMMITTEE

The Board of Directors of the Company has formed a Risk Management Committee to identify the risks impacting the Company business and formulates and administers the policies/ strategies aimed at risk minimization and risk mitigation as part of Risk Management.

The Board is responsible for satisfying itself, that management has developed and implemented an effective risk management framework.

Detailed work on this task is delegated to the Audit Committee, who also plays the role of Risk Management Committee and reviewed by the full Board.

The Audit Committee assists the Board in overseeing the company's risk profile and is responsible for overseeing management's actions in the identification, management and reporting of material business risks.

5. RISK CLASSIFICATION

The risks are broadly categories into:

Risk Category	Description
STRATEGIC RISKS	<ul style="list-style-type: none">• <i>Market strategy, organizational growth- market penetration, market shares, loss of reputation.</i>• <i>Globalization and technological obsolesce.</i>• <i>Volatility in commodity market.</i>• <i>Loss of trade secret.</i>• <i>Uncertainty surrounding political leadership in domestic and International markets.</i>• <i>Economic condition of the market, global recession and environmental issue.</i>
OPERATIONAL RISKS	<ul style="list-style-type: none">• <i>Consistent revenue growth.</i>• <i>Cost optimization.</i>• <i>Manpower retention.</i>• <i>Disaster management and data security.</i>
COMPLIANCE RISKS	<ul style="list-style-type: none">• <i>Ensure strict adherence to laws/ rules/ regulations/standards.</i>

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<i>Risk Category</i>	<i>Description</i>
	<ul style="list-style-type: none">• <i>Adherence of Company policies and procedures.</i>
FINANCIAL AND REPORTING RISKS	<ul style="list-style-type: none">• <i>Volatility in currency, funding & credit risk.</i>• <i>Maintaining high standards of Corporate Governance and Public Disclosures.</i>

6. RISK HANDLING AND MONITORING OR REPORT

Risk Management Committee of the Board of Directors of the Company has been formed for the following purpose:

- Ensure organisation has relevant and perpetual risk management framework for identifying, assessing, responding to, monitoring, or controlling risk.
- Apply an organized, thorough approach, to effectively anticipate and mitigate the probable or realistic, risks that could endanger achievement of key objectives.
- Ensure systematic risk evaluation, categorization and prioritisation, thereof to assign relative importance, to identified risks to determine where appropriate, management attention is required.
- Practice the highest level of control measures by framing mechanism, with involvement of all Managerial Personnel across the organisation, to ensure that all applicable legal, regulatory and business requirements are up to date and met.
- Develop alternative/ recommended courses of action for critical risks and control the probability of occurrence of risk, keeping ready contingency plans for selected risks where the consequences of the risk determined to be high.
- Review the activities, status, and result of the risk management process on a periodic and event-driven basis with appropriate levels of management and resolve issue i.e. gauging potential risk exposure and addressing the same with appropriate corrective action.
- Obtaining, whenever required or desirable, the advice, opinion and assistance from outside legal, accounting, or other advisory, as necessary, to aid informed decision making.

7. CONCLUSION

The Company's risk management system is always evolving. It is an ongoing process and it is recognised that the level and extent of the risk management system will evolve commensurate with the development and growth of the Company's activities. The risk management system is a "living" system and the documentation that supports it will be regularly reviewed and updated in order to keep current with Company circumstances.

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