

JYOTI RESINS AND ADHESIVES LIMITED

Risk Management Plan

1. PREAMBLE

Securities and Exchange Board of India has notified Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI (LODR) Regulations") which are applicable to every listed Company. Further, Company also requires to comply with applicable sections and provisions as per Companies Act, 2013

2. OBJECTIVE

The objective of Risk Management at the Company is to create and protect shareholders value to the extent practically feasible by identifying and mitigating major operating, and external business risk. An enterprise-wide risk management framework is applied in a manner such that the effective management of risks at different levels and different functions is an integral part of every employee's job.

3. DEFINITIONS

- 1) "**Act**" means the Companies Act, 2013, Rules framed thereunder and any amendments thereto.
- 2) "**Board of Directors**" or "**Board**" means the collective body of the Directors of the Company.
- 3) "**Company**", "**This Company**", "**The Company**", wherever occur in the policy shall mean "**JYOTI RESINS AND ADHESIVES LIMITED**" or ("JRAL).
- 4) "**Plan**" means, "Risk Management Plan".
- 5) "**Regulations**" means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any amendments thereto.
- 6) "**Website**" means website of the Company i.e.. www.euro7000.com.

4. INTERPRETATION

Terms that have not been defined in this policy shall have the same meaning assigned to them in the Companies Act, 2013, and / or Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

5. GUIDELINES

Risk Management Policy is framed as per the following regulatory requirements:

- 1) Companies Act, 2013:

A. Provisions of the Section 134(3)

"There shall be attached to financial statements laid before a company in general meeting, a report by its Board of Directors, which shall include—

(n) 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."

B. Section 177(4) stipulates:

"Every Audit Committee shall act in accordance with the terms of reference specified in writing by the Board which shall, inter alia, include, —

(vii) Evaluation of internal financial controls and risk management systems."

C. Schedule IV [Section 149(8)]: Code for Independent Directors:

II. Role and functions: "The independent directors shall:

(1) Help in bringing an independent judgment to bear on the Board's deliberations especially on issues of.....risk management....

(4) Satisfy themselves that the Systems of risk management are robust and defensible."

2) Regulation 4 & 17 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015:

(a) Key functions of the Board

a) The board should fulfil certain key functions, including:

b) Reviewing and guiding risk policy

c) Ensuring the integrity of the company's system for risk management

d) Lay down procedure to inform members of Board of Directors about risk assessment and minimization procedure.

e) Responsible for framing, implementing and monitoring the risk management plan for the Company

f) Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.

(b) Role of the Audit Committee (Regulation 18(3))

Evaluation of internal financial controls and risk management systems **Jyoti**, being a listed company is required to adhere to the regulations made both by the Companies Act, 2013 and Listing Obligations and Disclosures Requirements) Regulations, 2015 governed by the Securities and Exchange Board of India (SEBI). Where any stipulation is common between the regulations, more stringent of the two shall be complied with.

6. APPROACH

The approach used by Company shall be based on ensuring that each of its projects and the company:

1) Identify and generate a comprehensive list of all potential risk and hazard exposures which covers all possible outcomes under the various risk categories;

2) Develop an understanding of the risk and hazard which involves consideration of the causes and sources, their positive and negative consequences and the likelihood those consequences can occur; existing controls and their effectiveness and efficiency are also considered;

3) Prioritise the list of risks and hazards related to the overall Company environment and flag for treatment;

4) Consider options to treat significant and high risk and hazard exposures, evaluate the options and develop and document a risk management strategy or plan for implementation.

7. REVIEW

This Plan shall be reviewed from time to time so that the it remains compliant with applicable legal requirements. The board shall keep the same updated as per applicable statutory guidelines.

8. AMENDMENT

The Board shall have power to amend any of the provisions of this Plan, substitute any of the provisions with a new provision or replace the same entirely with a new one according to subsequent modification(s) / amendment(s) to Regulations. However, the amended regulatory requirements will supersede till the plan is suitably amended.