RISK MANAGEMENT POLICY

OF

CRP RISK MANAGEMENT LIMITED

(CIN: L72100MH2000PLC124689)

Registered Office: B - 208,209 Classique Centre, Off Mahakali Caves,
Andheri - (East), Mumbai – 400093

1. Introduction:

1.1 Objectives

Risk is an inherent aspect of the dynamic business environment. Risk Management Policy helps organization to put in place effective framework for taking informed decisions about risks. To minimize the adverse consequence of risks on business objectives the Company has framed this Risk Management Policy. The guidance provides a route map for risk management, bringing together policy and guidance from Board of Directors. This policy document serves as a guideline for respective components of risk which have a common resonance across the company. Risk Management in the Company provides a framework to identify, assess and manage potential risks and opportunities. It provides a way for managers to make informed management decisions. The Risk Management Policy provides entity level risk guidelines encompassing key risk areas across the group such as Business Risk, Operational Risk, technology risk and Strategic and Reputation risk.

1.2 Scope

The Policy shall apply to all operations, divisions and geographic locations of the Company. The Policy shall also apply to all Indian Subsidiaries.

1.3 Components of a Sound Risk Management System

The risk management system at the Company has the following key features:

- Active board and senior management oversight
- Appropriate policies, procedures and limits
- Comprehensive and timely identification, measurement, mitigation, controlling, monitoring and reporting of risks
- Appropriate management information systems (MIS) at the business level
- Comprehensive internal controls in accordance with current regulations
- A Risk Culture and communication

1.4 Requirement as per Companies Act, 2013

Responsibility of the Board: As per Section 134 (n) of the Companies Act, 2013, The Board of Directors' report must include a statement indicating development and implementation of a risk management policy for the Company including identification of elements of risk, if any, which in the opinion of the Board may threaten the existence of the Company.

Responsibility of the Audit Committee: As per Section 177(4)(vii) of the Companies Act, 2013 the Audit Committee shall act in accordance with the terms of reference specified in writing by the Board which shall, inter alia, include evaluation of internal financial controls and risk management systems.

Responsibility of the Independent Directors: As per Schedule IV (Section 149(8)) [Part II-(4)] of the Act, Independent directors should satisfy themselves that financial controls and the systems of risk management are robust and defensible.

1.5 Requirement as per Regulation 21 of SEBI (LODR), 2015

As per Chapter IV of SEBI (LODR), 2015, The Company through its Board of Directors shall constitute a Risk Management Committee. The majority of members of the Committee shall consist of members of the board of directors. The chairperson of the Risk Management Committee shall be a member of the Board of Directors. The Board of directors shall define the role and responsibility of the risk management committee and may delegate monitoring and reviewing of the risk management plan to the committee and such other functions as it may deem fit.

1.6 Definitions

"Company" means CRP Risk Management Limited

"Board" means the Board of Directors of the Company.

"RMP/Policy" Risk Management Policy

"Risk" Risk is an event which can prevent, hinder and fail to further or otherwise obstruct the enterprise in achieving its objectives. A business risk is the threat that an event or action will adversely affect an enterprise's ability to maximize stakeholder value and to achieve its business objectives. Risk can cause financial disadvantage, for example, additional costs or loss of funds or assets. It can result in damage, loss of value and/or loss of an opportunity to enhance the enterprise operations activities. Risk is the product of probability of occurrence of an event and the financial impact of such occurrence to an enterprise.

- Strategic Risk are associated with the primary long-term purpose, objectives and direction of the business.
- Operational Risks are associated with the on-going, day-to-day operations of the enterprise.
- Financial Risks are related specifically to the processes, techniques and instruments utilized to manage the finances of the enterprise, as well as those processes involved in sustaining effective financial relationships with customers and third parties.
- Knowledge Risks are associated with the management and protection of knowledge and information within the enterprise.

"Inherent Risk" The risk management process focuses on areas of high inherent risk, with these documented in the Risk Register. Recent performance in delivering a core service that is below expectations or does not meet agreed targets should be considered an indicator of high inherent risk.

"Residual Risks" Upon implementation of treatments there will still be a degree of residual (or remaining) risk, with the expectation that an unacceptable level of residual risk would remain only in exceptional circumstances.

"Risk Appetite" Risk appetite is the amount of risk, on a broad level, an organization is willing to accept in pursuit of value.

1.7 Risk Management Principles

The principles contained in this policy and strategy will be applied at both corporate and operational levels within the organization.

The Company's Risk Management Policy and Strategy will be applied to all operational aspects of the Company.

Our positive approach to risk management means that we will not only look at the risk of things going wrong, but also the impact of not taking opportunities or not capitalizing on corporate strengths

Responsibility for identifying and managing risks is a routine part of the role of management at all levels, including the identification and regular monitoring of key risk indicators;

2. Risk Governance

An organisation's ability to conduct effective risk management is dependent upon having an appropriate risk governance structure and well-defined roles and responsibilities. Risk governance signifies the manner in which the business and affairs of an entity are directed and managed by its Board of Directors and executive management. The risk organization structure for the Company is as depicted below.

2.1 Roles and Responsibilities

Board: The Company's risk management architecture is overseen by the Board of Directors (BOD) and Policies to manage risk are approved by the Board.

- Ensure that the organization has proper risk management framework
- Define the risk strategy and risk appetite for the company
- Approve various risk management policy including the code of conduct and ethics
- Ensure that senior management takes necessary steps to identify measure, monitor and control these risks.

Audit Committee: The Audit Committee assists the Board in carrying out its oversight responsibilities relating to the Company's (a) financial reporting process and disclosure of financial information in financial statements and other reporting practices, (b) internal control, and (c) compliance with laws, regulations, and ethics (d) financial and risk management policies.

- Setting policies on internal control based on the organisation's risk profile, its ability to manage the risks identified and the cost/benefit of related controls;
- Seeking regular assurance that the system of internal control is effective in managing risks in accordance with the Board's policies.
- Ensure that senior management monitors the effectiveness of internal control system
- Help in identifying risk, assessing the risk, policies/ guidance notes to respond its risks and thereafter frame policies for control and monitoring.
- Developing and communicating organizational Policy and information about the risk management programme to all staff, and where appropriate to our associates / suppliers / contractors.

- Develop, enhance and implement appropriate risk management policies, procedures and systems.
- Work with risk owners to ensure that the risk management processes are implemented in accordance with agreed risk management policy and strategy.
- Review risks and risk ratings of each department.
- Collate and review all risk registers for consistency and completeness
- Provide advice and tools to staff, management, the Executive and Board on risk management issues within the organisation, including facilitating workshops in risk identification
- Oversee and update organisational-wide risk profiles, with input from risk owners

3. Risk Management Framework

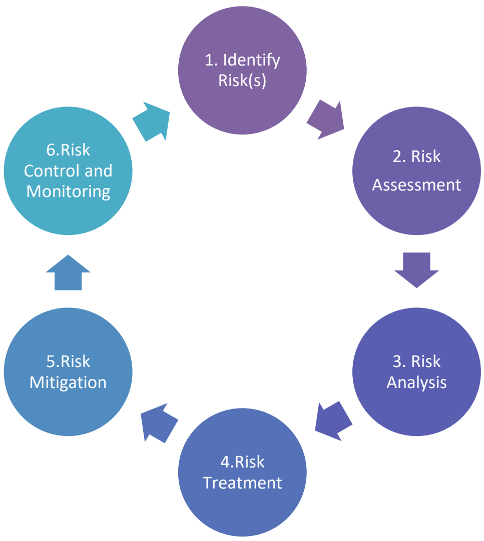
3.1 Process

Risk management is a continuous process that is accomplished throughout the life cycle of the company. It is an organized methodology for continuously identifying and measuring the unknowns; developing; mitigating options; selecting, planning and implementing appropriate risk mitigations; and tracking the implementation to ensure successful risk reduction.

Effective risk management depends on risk management planning; early identification & analysis of risks; early implementation of corrective actions; continuous monitoring & reassessment; communication, documentation and coordination

3.2 Steps in Risk Management

Risk management is a shared responsibility. The risk management process model includes the following key activities, performed on continuous basis.



3.2.1 Risk Identification

This involves continuous identification of events that may have negative impact on the Company's ability to achieve goals. Processes have been identified by the Company and their key activities have been selected for the purpose of risk assessment. Identification of risks, risk events and their relationship are defined on the basis of discussion with the risk owners and secondary analysis of related data, previous internal audit reports, information from competition, market data, Government Policies, past occurrences of such events etc.

3.2.2 Risk Assessment

Risk assessment is the process of risk prioritization or profiling. Likelihood and Impact of risk events have to be assessed for the purpose of analyzing the criticality. The potential Impact may include:

- Financial loss;
- Non-compliance to regulations and applicable laws leading to imprisonment, fines, penalties.
- Loss of talent;
- Health, Safety and Environment related incidences;
- Business interruptions / closure;
- Loss of values, ethics and reputation.

The likelihood of occurrence of risk is rated based on number of past incidences in the industry, previous year audit observations, Government Policies, information from competition, market data, future trends or research available. Risk may be evaluated based on whether they are internal and external, controllable and non-controllable, inherent and residual.

3.2.3 Risk Analysis

Risk Analysis is to be conducted using a risk matrix for likelihood and Impact, taking the existing controls into consideration. Risk events assessed as "high" or "very high" may go into risk mitigation planning and implementation; low and medium risk to be tracked and monitored on a watch list.

The Risk Reporting Matrix below is typically used to determine the level of risks identified. A risk reporting matrix is matched with specific likelihood ratings and Impact ratings to a risk grade of low (green), medium (yellow), high (amber) or very high (red).

3.2.4 Risk Treatment and Mitigation

Risk mitigation options are considered in determining the suitable risk treatment strategy. For the risk mitigation steps, the cost benefit analysis needs to be evaluated. Action plans supporting the strategy are recorded in a risk register along with the timelines for implementation.

3.2.5 Control and Monitoring Mechanism

Risk management uses the output of a risk assessment and implements countermeasures to reduce the risks identified to an acceptable level. This policy provides a foundation for the development of an effective risk register, containing both the definitions and the guidance necessary for the process of assessing and mitigating risks identified within functions and associated processes.

In circumstances where the accepted risk of a particular course of action cannot be adequately mitigated, such risk shall form part of consolidated risk register along with the business justification and their status shall be continuously monitored and periodically presented to Risk Management Committee and Audit Committee.

3.3. Board's responsibility statement

Board of Directors shall include 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.

The Board of Directors of the Company, Audit Committee and Risk Management Committee shall periodically review and evaluate the risk management system of the Company, so that the Management controls the risks through risk management framework.

The Company has a control processes in place to help ensure that the information presented to senior management and the Board is both accurate and timely. The control processes include, among other things:

- Annual audit and interim review by the Company's external auditor;
- Planned review by internal auditors reviewing the effectiveness of internal processes, procedures and controls;
- Monthly review of financial performance compared to budget and forecast.

3.4. Internal Audit (IA)

The Audit Committee is responsible for approving the appointment of the internal auditor and approving the annual internal audit plan.

As per Section 138 (1) of the Companies Act, 2013, the Internal Auditor shall either be a chartered accountant or a cost accountant, or such other professional as may be decided by the Board to conduct internal audit of the functions and activities of the company.

In addition to their general and specific responsibilities, is responsible for the co-operation necessary to assist the Internal Auditor in carrying out internal audit.

Internal Audit function is independent of the external auditor and to ensure its independence, has direct access to the Audit Committee.

Any deviations from the Company's policies identified through internal audits are reported to responsible authorities for action and to the Audit Committee for information or further action.

This Policy has been adopted by the Board of Directors of the Company at its meeting held on 30^{th} May, 2018.