



JAYSYNTH

JAYSYNTH ORGOCHEM LIMITED

RISK MANAGEMENT POLICY

INTRODUCTION

The Board of Directors has adopted the following revised policy with regard to risk management. This document lays down the framework of Risk Management at Jaysynth Orgochem Limited (hereinafter referred to as the 'Company') and defines the policy for the same. It seeks to identify risks inherent in any business operations of the Company and provides guidelines to define, measure, report, control and mitigate the identified risks.

REGULATORY OVERVIEW

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

Regulation 4 of the Listing Regulation:

Regulation 4 (2) (ii) Key Functions of the Board The Board should fulfill certain key functions, including: - Reviewing and guiding corporate strategy, major plans of action, risk policy, annual budgets and business plans, setting performance objectives, monitoring implementation and corporate performance, and overseeing major capital expenditures, acquisitions and divestments.

Ensuring the integrity of the listed entity's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards.

Regulation 17 - Board of Directors

A. The company shall lay down procedures to inform Board members about the risk assessment and minimization procedures.

B. The Board shall be responsible for framing, implementing and monitoring the risk management plan for the company.

Regulation 17(7) – Minimum Information to be placed before Board of Directors (Part A of Schedule II) - Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.

Regulation 18 Role of Audit Committee (Part C of Schedule II) The role of the Audit Committee shall include the following: - Evaluation of internal financial controls and risk management systems;

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 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

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;

Evaluation of internal financial controls and risk management systems.

Schedule IV [Section 149(8)] - Code for Independent Directors Role and functions: The independent directors shall help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct; satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible.

OBJECTIVE

The objective of the Policy is to locate the risk factors, analyze such factors and develop ways to mitigate the risks involved in the business and ensure implementation of such solutions to mitigate the risks.

ROLE OF BOARD AND COMMITTEES OF THE BOARD

The Board of Directors and the Audit Committee shall at least once in every year review the risk management framework and effectively address the emerging challenges in a dynamic business environment and ensure that it meets the requirements of the applicable Laws and the needs of the Organization.

The Audit Committee and Board of Directors shall have the power to modify, amend or replace this Policy in part or full as may be thought fit from time to time in their absolute discretion as far as it is not in contravention of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Companies Act, 2013 and any other law or regulation for the time in being force.

In case of any inconsistency between any of the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 / the Companies Act, 2013 and this Policy or in case of any omission of any of the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 / the Companies Act, 2013 in this Policy, the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 / the Companies Act, 2013, as amended shall prevail or be applicable, as the case may be.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the Listing Regulations or any other applicable law or regulation to the extent applicable to the Company. The risks outlined above are not exhaustive and are for information purposes only. Management is not an expert in assessment of risk factors, risk mitigation measures and in having a complete / proper management's perception of risks.

The Management cautions the readers to exercise their own judgment in assessing various risks associated with the Company.

APPLICABILITY

This Policy shall be applicable with effect from 13th February, 2018 and applies to all the departments and across all the functions of the Company.

OVERVIEW OF THE POLICY

The Board of Directors of the Company as a whole and the Members of the Audit Committee in particular have a significant role in the matters relating to the risks associated with the business of the Company.

The Company is required to do as follows:

1. Identify the risk affecting the business (Risk Identification)
 2. Analyse the gravity / impact of such risks on the business of the Company (Risk Evaluation)
 3. Estimate the potential loss/damage due to such risk
 4. Initiate steps to mitigate such risks.
 5. Report to the Board at each step
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1. IDENTIFICATION OF RISK - Management / Employees / Directors shall identify the risk factors affecting the organisation viz; regulatory risks, risks arising out of competition, technological risks etc.
 2. RISK EVALUATION - Once the risk is identified , the impact of such risk on the business shall be evaluated and the same shall be prioritise according to impact. In other words steps shall be taken for risks which has huge impact on the business of the Company and risks which do not have significant impact on the business shall be treated accordingly.
 3. RISK ESTIMATION – Company is also required to estimate the potential loss / damage it might suffer due to such risks. Various steps for prevention of such loss shall be taken by the Company. For example Company may undertake hedging for protecting the Company from Foreign Exchange Losses.
 4. RISK MITIGATION – The Company shall take all necessary steps to mitigate the risks involved in the business of the Company.
 5. REPORTING – The Company shall keep the Audit Committee in particular and the Board as a whole informed at each step involved in the matter relating to risk associated with business.

AMMENDMENTS/REVIEW OF THE POLICY

The Policy shall be reviewed and amended by the Board subject to recommendation of the Audit Committee as and when necessary.
