



**URJA GLOBAL LIMITED**

**RISK MANAGEMENT POLICY**

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## **1. Introduction**

Urja Global Limited (“the Company”) has identified the need for an efficient and effective Risk Management process within the Company. This Risk Management Policy is intended to enable the Company to adopt a defined process for managing its risks on an ongoing basis. This Policy defines the mechanism by which the Company will identify, measure and monitor its significant risks. This Policy also fulfills the requirements of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

The Board is responsible for establishing and overseeing the establishment, implementation and review of the risk management system. The Board has constituted Risk Management Committee to review the effectiveness of the risk management system.

## **2. Risk Management Framework**

The Company is committed to high standards of business conduct and good risk management to:

- a) Protect the Company’s assets;
- b) Achieve sustainable business growth;
- c) Avoid major surprises related to the overall control environment;
- d) Safeguard shareholder investment; and
- e) Ensure compliance with applicable legal and regulatory requirements.

This Policy is intended to ensure that an effective risk management framework is established and implemented within the Company and to provide regular reports on the performance of that framework, including any exception to the Risk Management Committee/Board of Directors of the Company.

## **3. Scope and Purpose**

This Policy establishes the process for the management of risks faced by the Company and allows the Company to:

- a) Embed the management of risk as an integral part of its business processes;
- b) Establish an effective system of risk identification, analysis, evaluation and treatment within all areas and all levels;
- c) Make informed decisions;

- d) Avoid exposure to significant reputational or financial loss;
- e) Assess the benefits and costs of implementation of available options and controls to manage risk;
- f) Have increased confidence in achieving its goals;
- g) Strengthen corporate governance procedures.

Thus, it is the responsibility of the Board, Risk Management Committee, Senior Management and all employees to identify, analyse, evaluate, respond, monitor and communicate risks associated with all activities, functions or processes within their relevant scope of responsibility and authority.

#### **4. Risk Strategy**

The Company is mainly engaged in the Solar, Batteries and Electric Vehicles business and faces various types of risks including, inter-alia, regulations, competition, business risks, technology obsolescence, operations risk, financial risks, etc. Once the risks are identified, the Company would evaluate these risks to see which of them will have critical impact on the Company and which are not significant enough to deserve further attention.

#### **5. Risk Management Framework**

Risk Management and Risk Monitoring are important in recognizing and controlling risks. The Company adopts a systematic approach to mitigate risks associated with accomplishment of objectives, operations, revenues and regulations. The Company believes that this would ensure mitigating risks pro-actively and help to achieve stated objectives.

For effective Risk Management, the Company will focus on:-

- a) Risk Assessment - detailed study of threats and vulnerability and resultant exposure to various risks
- b) Risk Management and Monitoring – the probability of risk assumptions estimated with available data and information
- c) Risk Mitigation – Measures adopted to mitigate risk by the Company
- d) Risk Reviews – Risks and the effectiveness of control measures, especially to ensure that changing circumstances do not alter risk priorities.

## 6. Risk Classes

Various types of risks faced by the Company can be broadly outlined as follows:

S. No.	Area	Risk Types
1.	Strategic	Risks associated with brand management, strategy development, strategic alliance, R&D, business planning and performance targets.
2.	Business Development	Risks associated with developing, implementing and managing new and existing products, customer service, pricing, marketing and feasibility of new business opportunities.
3.	Operations	Risks associated with operations, both internal and external, including procurement of raw materials, safety, lack of defined processes, etc.
4.	Human Resource	Risks associated with organizational structure, recruitment, remuneration, industrial relations, communication, support systems, processes and procedures.
5.	Entity	Risks associated with lack of defined policies, processes, procedures and delegation.
6.	Information Technology	Risks associated with data management, system migrations, interfaces, data integrity, network architecture not supporting business functions and requirements.
7.	Financial	Risks related to liquidity, cash management, collection of dues from debtors, foreign currency fluctuations, interest rate fluctuations, etc.
8.	Asset Management	Risk related to management or maintenance of Company's key assets including property, plant, equipment and environment
9.	Legal	Risks related to non-compliance with legislations, regulatory issues impacting the company, adverse impact of new laws, etc.
10.	International Operation	Risk related to Import Policies, Shipping line, Custom Regulations, US \$ Variation, Insurance and Fluctuation in foreign Currencies.

The Management cautions that the risks outlined above are not exhaustive and are for information purposes only. It represents the Management's perception only and it is not possible to assess all risk factors and risk mitigation measures.

Overall, the planning and process required to maintain the continuity of business activities are kept in mind at all times and is at the core of every Risk Management function.

## **7. Risk Mitigation Measures**

The Company functions under a well-defined organization structure with focus on role clarity. Proper systems are in place for all the major functional areas. To enable every individual to perform his role on risk assessment and mitigation the Company –

- a) Has documented Standard Operating Procedures
- b) regular conducts training and development programmes at all levels
- c) conducts periodic review of all functional areas
- d) Created favourable environment for audits, communication, clarity and compliances.

## **8. Risk Management Committee**

The Board has duly constituted Risk Management Committee in accordance with the provisions of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The RMC may also invite other officials/professionals to participate in specific meetings. The RMC performs such functions as are required pursuant to the provisions of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## **9. Amendments**

Any changes to this Policy will be reviewed by the Risk Management Committee and duly approved by the Board of Directors of the Company.