

RISK Management Committee of Gini Silk Mills Limited

PREAMBLE

Risk Management is the culture, processes and structures that are directed towards the effective management of potential opportunities and adverse effects within the corporate environment. Risk is inherent in all administrative and business activities. Every member of the Company continuously manages risk. Formal and systematic approaches to managing risk have evolved and they are now regarded as good management practice. As a consequence we acknowledge that the adoption of a strategic and formal approach to risk management will improve decision-making, enhance outcomes and accountability. The aim of this policy is not to eliminate risk, rather to manage the risks involved in all Company's activities to maximize opportunities and minimise adversity. Effective risk management requires:

- A strategic focus,
- Forward thinking and active approaches to management,
- Balance between the cost of managing risk and the anticipated benefits, and
- Contingency planning in the event that mission critical threats are realized.

Risk management also provides a system for the setting of priorities when there are competing demands on limited resources.

SCOPE

This Policy Standard sets out the detailed requirements and minimum levels of achievement necessary to implement the risk management elements of the business. This policy facilitates management of risks associated with our activities and minimize the impact of undesired and unexpected events.

Taking and managing appropriate levels of risk is an integral part of all our business activities. Risk Management, performed rigorously and comprehensively, creates stability, indirectly contributes to profit and is a key element in enhancing the reputation of management.

KEY DEFINITIONS

The key definitions for this policy follow:

- **Risk** -The chance of something happening that will have an impact on the achievement of the Company's objectives. Risk is measured in terms of consequences and likelihood.

- **Risk Identification** – The systematic way for determining which risks might affect the Company and documenting their characteristics. It is an imperative process because new risk may become known during the business activities.
- **Risk Assessment** -The systematic process of identifying and analysing risks.
- **Risk Management** -The systematic way of protecting business resources and income against losses so that the objectives of the Group can be achieved without unnecessary interruption.
- **Risk Management Process** -The systematic application of management policies, procedures and practices to the tasks of establishing the context, identifying, analysing, evaluating, treating, monitoring and communicating risk.

RESPONSIBILITY FOR RISK MANAGEMENT

General

Every staff member of the Company is responsible for the effective management of risk including the identification of potential risks. Management is responsible for the development of risk mitigation plans and the implementation of risk reduction strategies. Risk management processes should be integrated with other planning processes and management activities. There is legislation in place for the management of specific risks such as Occupational Health and Safety, Equal Opportunity. The Risk Management policy does not relieve the Company's responsibility to comply with other legislation. Training and facilitation will, in the first instance, be the responsibility of the Office of Internal Audit/Risk Manager in conjunction with the Office of Human Resources.

Chairman/ Directors

The Chairman / Directors are accountable for ensuring that a risk management system is established, implemented and maintained in accord with this policy. Assignment of responsibilities in relation to risk management is the prerogative of the Chairman / Managing Director.

Senior Executives

Senior Executives are accountable for strategic risk management within areas under their control including the devolution of the risk management process to operational managers. Collectively the Senior Executives are responsible for:

- The formal identification of strategic risks that impact upon the Company's mission;
- Allocation of priorities;
- The development of strategic risk management plans; and

Senior Executives will review progress against agreed risk management plans and will communicate this to the Board of Directors.

Internal Audit/Risk Manager

The Internal Audit/Risk Manager will be accountable for the implementation of this policy in key areas of the Company, maintaining a programmer for risk reassessment and a Risk Registers for the Company. Key areas will flow from the risk management plan developed by Senior Executives. The Internal Audit/Risk Manager will provide advice to the relevant Directors on risk management matters pertaining to the Company's financial stability and to occupational health and safety and workers' compensation issues.

RISK MANAGEMENT COMMITTEE:

Sr.No	Name	Designation
1.	Ramprasad Poddar	Independent Director
2.	Pankaj Kumar Agarwal	Independent Director
3.	Deepak Vishwanath Harlalka	Managing Director
4.	Niraj Purohit	General Manager(GM Process House)

Aim

The aims of our Risk Management Committee are to:

- promote employee, stakeholder, and public safety;
- protect personnel, assets and intellectual property;
- encourage better quality service delivery;
- minimize loss and insurance costs, and
- improve contingency planning for dealing with risks and their impact.

Principles

Operating principles that support this Risk Management Committee are summarised below:

We will actively:

- identify and rank all strategic risks;
- ensure risk management becomes part of day-to-day management;
- provide staff with the policies and procedures necessary to manage risks;
- ensure staff are aware of risks and how to manage them; and
- monitor our strategic risk profile and implement a continuous improvement approach to risk management.

The risk management and internal control systems within Company encompass all policies, processes, practices and procedures established by management and/or the Board to provide reasonable assurance that:

- Established corporate and business strategies and objectives are achieved;
- Risk exposure is identified and adequately monitored and managed;
- Resources are acquired economically, adequately protected and managed efficiently and effectively in carrying out the business;
- Significant financial, managerial and operating information is accurate, relevant, timely and reliable; and
- There is an adequate level of compliance with policies, standards, procedures and applicable laws and regulations.

GENERAL

The decision of the Board of Directors of the Company with regard to any or all matters relating to this policy shall be final and binding on all concerned. The Board of Directors of the Company 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.
