



## **Risk Management Policy**

### **Background:**

B&B Triplewall Containers Limited (the “Company”) is engaged in manufacturing of Corrugated Boxes. It is a very dynamic company with a very strong and efficient human resource on board. The business activities of the Company carry various internal and external risks.

### **Objective of the Policy:**

The objective of Risk Management at B&B Triplewall Containers Limited is to create and protect shareholder value by minimizing threats or losses, and identifying and maximizing opportunities. An enterprise-wide risk management framework is applied so that effective management of risks is an integral part of every employee’s job.

### **Strategic Objectives**

- Providing a framework that enables future activities to take place in a consistent and controlled manner
- Improving decision making, planning and prioritization by comprehensive and structured understanding of business activities, volatility and opportunities/ threats
- Contributing towards more efficient use/ allocation of the resources within the organization Protecting and enhancing assets and company image
- Reducing volatility in various areas of the business
- Developing and supporting people and knowledge base of the organization.
- Optimizing operational efficiency.

### **Regulatory:**

Risk management policy is framed as per the following regulatory requirements:

#### **COMPANIES ACT, 2013**

1. 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.

2. 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.

**Definitions:**

- Risk:** In literal terms can be defined as the effect of uncertainty on the objectives. Risk is measured in terms of consequences and likelihood. Risks can be internal and external and are inherent in all administrative and business activities. Every member of any organization continuously manages various types of risks. Formal and systematic approaches to managing risks have evolved and they are now regarded as good management practice also called as Risk Management.
- Risk Assessment:** The systematic process of identifying and analyzing risks. Risk Assessment consists of a detailed study of threats and vulnerability and resultant exposure to various risks.
- Risk Management:** Risk management is the identification, assessment, and prioritization of risks followed by coordinated and economical application of resources to minimize, monitor, and control the probability and/or impact of uncertain events or to maximize the realization of opportunities. Risk management also provides a system for the setting of priorities when there are competing demands on limited resources.
- Risk Management Process:** The systematic application of management policies, procedures and practices to the tasks of establishing the context, identifying, analyzing, evaluating, treating, monitoring and communicating risk.

**Risk factor:**

The objectives of the Company are subject to both external and internal risks that are enumerated below:

**External Risk Factors:**

- Economic Environment and Market conditions
- Political Environment
- Competition
- Inflation and Cost structure

- Technology Obsolescence
- Legal risk

**Internal Risk Factors:**

- Project Execution
- Contractual Compliance
- Operational Efficiency
- Hurdles in optimum use of resources
- Quality Assurance
- Environmental Management
- Human Resource Management
- Culture and values

**Responsibility for Risk Management**

Generally, every staff member of the Organization 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.

**Compliance and Control**

All the Senior Executives under the guidance of the Chairman and Board of Directors has the responsibility for over-viewing management's processes and results in identifying, assessing and monitoring risk associated with Organization's business operations and the implementation and maintenance of policies and control procedures to give adequate protection against key risk. In doing so, the Senior Executive considers and assesses the appropriateness and effectiveness of management information and other systems of internal control, encompassing review of any external agency in this regards and action taken or proposed resulting from those reports. All employees are responsible for implementing, and managing and monitoring action plans with respect to material business risks, as appropriate.



### **Role of Audit Committee:**

The following shall be the role and responsibility of the Audit Committee authorized to evaluate the effectiveness of the Risk Management Framework:

- Review of the strategy for implementing risk management policy
- To examine the organization structure relating to Risk management.
- Evaluate the efficacy of Risk Management Systems – Recording and Reporting.
- To review all hedging strategies/risk treatment methodologies vis a vis compliance with the Risk Management Policy and relevant regulatory guidelines.
- To define internal control measures to facilitate a smooth functioning of the risk management systems.
- Ensure periodic review of operations and contingency plans and reporting to Board in order to counter possibilities of adverse factors having a bearing on the risk management systems.

### **Review of the Policy:**

This Policy shall be reviewed at least once every year to ensure that it meets the requirements of legislation and the needs of organization.

### **Policy Implementation:**

Risk Management Forms part of strategic, operational and line management responsibilities and are integrated into strategic and service planning processes. Risk management is embedded in all policies and procedures, with workers contributing to risk management systems.

### **Amendment of Policy:**

The Company reserves its right to amend or modify this Policy at any point of time if it deems fit to do so for the betterment of the Company.

**NOTE:** This Policy has been approved by the Board of Director in a Board Meeting held on August 03<sup>rd</sup>, 2018 and this policy will be applicable when Shares of the Company gets listed.

\*\*\*\*\*