



MISHTANN FOODS LIMITED

RISK MANAGEMENT POLICY

I. PREAMBLE:

Risk Management is a key aspect of the “Corporate Governance Principles and Code of Conduct” which aims to improvise the governance practices across the Company’s activities. Risk management policy and processes will enable the Company to proactively manage uncertainty and changes in the internal and external environment to limit negative impacts and capitalize on opportunities.

Risk management, by and large involves reviewing the operations of the organization, followed by identifying potential threats to the organization and the likelihood of their occurrence, and then taking appropriate actions to address the most likely threats.

The Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (referred to as the “SEBI Listing Regulations”) also emphasize the requirement of Risk Management Policy for the Company.

Pursuant to the provisions of the Act, 2013, 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 shall be included in the Board’s Report.

The Audit Committee is required to evaluate the internal financial controls and risk management systems of the Company and the Independent Directors shall satisfy themselves that the systems of risk management are robust and defensible.

According to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company shall lay down procedures to inform Board members about the risk assessment and minimization procedures and the Board shall be responsible for framing, implementing and monitoring the risk management plan for the Company.

This Policy is framed in compliance with the provisions of the Companies Act, 2013 read along with the applicable rules thereto and Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

II. DEFINITIONS:

- **Audit Committee** shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 177 of the Companies Act, 2013.
- **Board** means Board of Directors of the Company.
- **Company** means Mishtann Foods Limited.
- **Independent Director** means a Director referred to in Section 149(6) of the Companies Act, 2013.
- **Policy or This Policy or Plan** means “Risk Management Policy”.
- **Risk Management Committee** means the Committee constituted by the Board to monitor and review the risk management plan and such other functions as it may deem fit and such function shall specifically cover cyber security. The majority of Committee shall consist of Members of the Board of Directors, including at least one independent director. Senior executives of the Company may be Members of the said Committee but the Chairman of the Committee shall be a Member of the Board of Directors.

III. INTERPRETATION:

Terms that have not been defined in this Policy shall have the same meaning assigned to them in the Companies Act, 2013 and/or any other SEBI Regulation(s) as amended from time to time.

IV. RISK MANAGEMENT PROCESS:

- I. Identification – Recognition / anticipation of the risks that threaten the assets and earnings of the Company.
- II. Evaluation / assessment – Estimation of the likely probability of a risk occurrence and its likely severity, categorization of risk and rating of risk.
- III. Prevention and Control – Measures to avoid occurrence or risk, limit its severity and reduce its consequences, selecting the risk management technique by category and individual risk
- IV. Financial – Determining the cost of risk likely to be and ensuring that adequate financial resources are available, implementing the selected technique.
- V. Measure and Monitor effectiveness of controls and respond according to the results and improving the program.
- VI. Reviewing and reporting on the Risk Management process at appropriate intervals, at least annually.
- VII. Seeking information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if the Committee considers it necessary.

V. RISK MANAGEMENT TECHNIQUE:

- Risk Transfer to another party, who is willing to take risk, by buying an insurance policy or entering into a forward contract;
- Risk Reduction, by having good internal controls;
- Risk Avoidance, by not entering into risky businesses;
- Risk Retention, to either avoid the cost of trying to reduce risk or anticipation of higher profits by taking on more risk, strategy for small risks where the cost of insuring against the risk would be greater over time than the total losses sustained and;
- Risk Sharing, by retaining to the extent that can be retained and transferring the balance.

VI. MEETINGS OF THE RISK MANAGEMENT COMMITTEE:

As per the SEBI Listing Regulations, the Risk Management Committee shall meet at least twice a year. The Meetings of the Risk Management Committee shall be conducted in such a manner that on a continuous basis not more than one hundred and eighty days shall elapse between any two consecutive meetings.

VII. ROLE OF THE BOARD:

The Board will undertake the following actions to ensure risk is managed appropriately:

- The Board shall be responsible for framing, implementing and monitoring the risk management plan for the company.
- The Board shall define the roles and responsibilities 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.
- Ensure that the appropriate systems for risk management are in place.
- The independent directors shall help in bringing an independent judgment to bear on the Board's deliberations on issues of risk management and satisfy themselves that the systems of risk management are robust and defensible;
- Participate in major decisions affecting the organization's risk profile;
- Have an awareness of and continually monitor the management of strategic risks;
- Be satisfied that processes and controls are in place for managing less significant risks;
- Be satisfied that an appropriate accountability framework is working whereby any delegation of risk is documented and performance can be monitored accordingly;
- Ensure risk management is integrated into board reporting and annual reporting mechanisms;
- Convene any board-committees that are deemed necessary to ensure risk is adequately managed and resolved where possible

VIII. RISK GOVERNANCE STRUCTURE:

The Composition of the Risk Management Committee formed by us is as follows: -

Name	Position Held	Nature of Directorship
Hiteshkumar Patel	Chairman	Managing Director
Bhumi Jayantkumar Gor	Member	Non-Executive Independent Director
Keval Bhatt	Member	Non-Executive Non-Independent Director

IX. Amendments to the Policy:

The Board of Directors on its own and / or as per the recommendations of Audit Committee can amend this Policy, as and when deemed fit. Any or all provisions of this Policy would be subject to revision / amendment in accordance with the Rules, Regulations, Notifications etc. on the subject as may be issued by relevant statutory authorities, from time to time. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), Clarification(s), circular (s) etc.

X. Disclaimer Clause:

The Management cautions readers that 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 management's perception of risks. Readers are therefore requested to exercise their own judgment in assessing various risks associated with the Company.