

RISK MANAGEMENT POLICY **CANTABIL RETAIL INDIA LIMITED**

INTRODUCTION

This is in compliance with clause 49 of Listing Agreement. Cantabil Retail India Limited (the Company) recognizes risk management as an integral component of good corporate governance and fundamental in achieving its strategic and operational objectives. It improves decision-making, defines opportunities and mitigates material events that may impact shareholder/stakeholder value.

BACKGROUND

This document lays down the framework of Risk Management at Cantabil Retail India Limited and defines the policy for the same. This document shall be under the authority of the Board of Directors of the Company. 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.

RISK STRATEGY

A company is exposed to variety of risks in the course of its business activities. Risk management therefore forms a central element in the management of the company and is geared to targeted management of risk with a view to securing present and future potential for success and avoiding, preventing, countering and minimizing risk. We only enter into entrepreneurial risks if we are convinced that they can generate a sustained rise in the value of the company and that we are able to control any possible implications.

RISK MANAGEMENT

Risk Management is the identification and measurement of risks, which can affect the organization and implementation of strategy for monitoring, controlling and mitigation of these risks by systematic actions in a planned manner. The Company has constituted a Risk Management Committee to monitor and review the risk management activities of the Company on regular basis. The Committee comprises of the Board of Directors and senior management personnel of the Company. The framework for risk assessment and minimization thereto has been evaluated and company takes adequate measures for mitigating such assessed risk.

CONSTITUTION OF RISK MANAGEMENT COMMITTEE

The Board of Directors has the power to constitute/ reconstitute the Committee from time to time in order to make it consistent with the Company's policy and applicable statutory requirements. At present, the Risk Management Committee comprises of following Members:

- Mr. Lalit Kumar, Chairman
- Mr. Arun Kumar Roopanwal, Member
- Mr. Vijay Bansal, Member

ROLES AND RESPONSIBILITIES

The roles and responsibilities of Risk Management Committee are as follows:

- 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
- Identification & Assessment of Risks
- Minimisation of Risks by adopting various measures.

REGULATORY FRAMEWORK

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

A. 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,—

(vii) evaluation of internal financial controls and risk management systems.

3. SCHEDULE IV [Section 149(8)

Code For Independent Directors

B. CLAUSE 49 (VI) OF THE LISTING AGREEMENT

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.

C. The company through its Board of Directors shall constitute a Risk Management Committee. 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.
