

KAMDHENU VENTURES LIMITED

RISK MANAGEMENT POLICY

LEGAL FRAMEWORK

Section 134(3) of the Companies Act, 2013 requires a statement to be included in the report of the Board of Directors (“**Board**”) of the Company 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;

Further, Regulation 17(9) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, requires that the listed entity shall lay down procedures to inform members of the Board about risk assessment and minimization procedures.

Also, as per Regulation 21 of the of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the top 1000 listed entities, determined on the basis of market capitalization as at the end of the immediate preceding financial year shall constitute a Risk Management Committee.

OBJECTIVE

- To ensure that all the current and future material risk exposures of the company are identified, assessed, quantified, appropriately mitigated, minimized and managed i.e to ensure adequate systems for risk management.
- To establish a framework for the company’s risk management process and to ensure its implementation.
- To enable compliance with appropriate regulations, wherever applicable, through the adoption of best practices.
- To assure business growth with financial stability.

RISK MANAGEMENT APPROACH

Our risk management approach is composed primarily of three components:

- Risk Governance
- Risk Identification
- Risk Assessment and Control

Risk Governance:

- The functional heads of the Company are responsible for managing risk on various parameters and ensure implementation of appropriate risk mitigation measures.
- The Risk Management Committee provides oversight and reviews the risk management policy from time to time.

Risk Identification:

External and internal risk factors that must be managed are identified in the context of business objectives.

Risk Assessment and Control:

This comprises the following:

- Risk assessment and reporting
- Risk control
- Capability development

On a periodic basis risk, external and internal risk factors are assessed by responsible managers across the organization. The risks are identified and reported through mechanisms such as operation reviews and committee meetings. Internal control is exercised through policies and systems to ensure timely availability of information that facilitate pro-active risk management.

Examples of certain of these identified risks are as follows:

- Broad market trends and other factors beyond the Company's control significantly reducing demand for its products and harming its business, financial condition and results of operations
- Failure in implementing its current and future strategic plans
- Significant and rapid technological change
- Damage to its reputation
- Its products losing market appeal and the Company not being able to expand into new product lines or attracting new types of investors
- Its risk management methods and insurance policies not being effective or adequate
- Fluctuations in product consumption
- Changes in interest rates
- Changes in government policies
- Security risks and cyber-attacks
- Insufficient systems capacity and system failures

RISK MANAGEMENT COMMITTEE

Constitution

The Board of Directors shall constitute a Risk Management Committee.

The Risk Management Committee shall have minimum three members with majority of them being members of the board of directors, including at least one independent director.

The Chairperson of the Risk management committee shall be a member of the board and senior executives of the Company may be members of the committee.

Meetings

The risk management committee shall meet at least twice in a year.

The quorum for a meeting of the Risk Management Committee shall be either two members or one third of the members of the committee, whichever is higher, including at least one member of the board of directors in attendance.

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.

TERMS OF REFERENCE

The role of the committee shall, *inter alia*, include the following:

1. To formulate a detailed risk management policy which shall include:
 - (a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
 - (b) Measures for risk mitigation including systems and processes for internal control of identified risks.
 - (c) Business continuity plan.
2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
5. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
6. The appointment, removal and terms of appointment of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

DISCLOSURE

This Policy shall be hosted on the Company's website.

REVIEW /AMENDMENT

The Chairman and/or Managing Director is authorized to make such alterations to this Policy as considered appropriate, subject, however, to the condition that such alterations shall be in consonance with the provisions of the Companies Act, 2013 and rules made thereunder and the Listing Regulations and amendment thereto as notified by the Securities and Exchange Board of India and/or Stock Exchanges, from time to time. In case any provision(s) of this Policy is contrary to or inconsistent with the provisions of the Companies Act, 2013, rules framed thereunder and Listing Regulations ("Statutory Provisions"), the Statutory Provisions shall prevail.

Further, amendments in the Statutory Provisions shall be applicable even if not incorporated in this Policy.