



SIMRAN AGROVET LIMITED

CIN: U15400MP2017PLC043674

POLICY ON RISK MANAGEMENT

1. INTRODUCTION

The Board of Directors of SIMRAN AGROVET LIMITED (“the Company”) recognizes that risk management is an essential element of good corporate governance and long-term value creation. Effective risk management not only safeguards the interests of stakeholders but also ensures sustainable growth. In view of the Company’s proposed Initial Public Offering (IPO) and the responsibilities it will assume as a listed entity, this Policy has been framed to establish a structured approach towards identifying, evaluating, mitigating, and monitoring risks that may affect the Company’s business operations and objectives.

2. OBJECTIVE

The primary objective of this Policy is to provide a framework for managing risks across all levels of the Company. It aims to create awareness of potential risks, establish processes to assess and mitigate such risks, and ensure compliance with applicable laws and regulations, including the provisions of the Companies Act, 2013, SEBI regulations, and other statutory requirements. The Policy also seeks to promote a proactive risk culture within the organization so that risks are managed in a timely and effective manner.

3. SCOPE

This Policy applies to all business functions, operations, employees, and processes of the Company. It covers risks of diverse nature such as strategic, operational, financial, compliance, reputational, and environmental/social risks that may arise in the normal course of business or due to external developments.

4. RISK MANAGEMENT FRAMEWORK

The Company has adopted a risk management framework that operates in four stages i.e. identification, assessment, mitigation and monitoring of risks.

Risks are identified at both the strategic and operational levels through continuous evaluation of internal processes and the external business environment. They may arise from factors such as competition, sustainability of the business model, supply chain disruptions, technology failures, financial market fluctuations, legal or regulatory non-compliances, reputational challenges, or environmental and social concerns.

Once identified, risks are assessed on the basis of their likelihood and potential impact. To facilitate this, the Company maintains a risk register that records key risks along with their evaluation and control measures. Following assessment, appropriate mitigation strategies are adopted, which may include avoidance, reduction, transfer, or acceptance of the risk depending on its nature and severity.

Risks and their mitigation measures are monitored on an ongoing basis. Periodic reviews are carried out to evaluate the effectiveness of controls and strategies in place. The management provides regular updates to the Audit Committee or the Risk Management Committee, as applicable, and the Board of Directors on significant risks and the steps taken for their management.

5. GOVERNANCE STRUCTURE

The overall responsibility for risk management lies with the Board of Directors, which approves this Policy and oversees its effective implementation. The Audit Committee is entrusted with the responsibility of reviewing the risk management framework, evaluating the adequacy of internal controls, and reporting material risks to the Board. The management is responsible for implementing the framework, identifying and assessing risks in day-to-day operations, maintaining the risk register, and reporting to the Committee or Board. Employees at all levels are expected to be aware of risks relevant to their functions and to report any potential risks promptly to the management.

6. COMPLIANCE AND DISCLOSURES

This Policy shall be disclosed on the website of the Company and a web link thereto shall be provided in the annual report of the Company.

7. REVIEW AND AMENDMENTS

The Board may review and amend this Policy as and when required, to align it with changes in applicable laws and regulations. In case of any conflict between the provisions of this Policy and applicable laws, the latter shall prevail.

8. EFFECTIVE DATE

The Policy shall become effective from the date of its adoption by the Board of Directors of the Company.