

## RISK MANAGEMENT POLICY

Madura Industrial Textiles Limited a company, is required to adhere to the regulations made by the Companies Act, 2013 shall be complied with.

### 1. Introduction

The Board of Directors of Madura Industrial Textiles Limited ('the Company') has adopted the following policy and procedures with regard to risk management as defined below. The Company is in the process of forming a Risk Management Committee. The Board may review and amend this policy from time to time.

### 2. Definitions

"Audit Committee" means Committee of Board of Directors of the Company constituted under the provisions of the Companies Act, 2013.

"Board of Directors" or "Board" in relation to a Company, means the collective body of Directors of the Company. [Section 2(10) of the Companies Act, 2013]

"Policy" means Risk Management Policy.

### 3. Back Ground And Implementation

The Company is prone to inherent business risks. This document is intended to formalize a risk management policy, the objective of which shall be identification, evaluation, monitoring and minimization of identifiable risks.

The Board of Directors of the Company and the Audit Committee shall periodically review and evaluate the risk management system of the Company so that the management controls the risks through properly defined network.

Head of Departments shall be responsible for implementation of the risk management system as may be applicable to their respective areas of functioning and report to the Board and Audit Committee.

#### Madura Industrial Textiles Ltd.

Regd. Off.: 1, Janki Centre, Off: Veera Desai Road,  
Andheri (W), Mumbai - 400 053. INDIA  
T: +91-22-2673 0890 (4 Lines)  
F: +91-22-2673 0889 / 6691 6245

Works: Plot No. 60/1 & 60/2, Demni Village,  
Near UCPL, Dadra - 396 193, D&NH (U.T.). INDIA.  
T/F: +91-260-266 9005 / 6  
Email: [info@maduratex.com](mailto:info@maduratex.com) Web: [www.maduratex.com](http://www.maduratex.com)

#### **4. Objective**

The main objective of this policy is to ensure sustainable business growth with stability and to promote a pro-active approach in reporting, evaluating and resolving risks associated with the business. In order to achieve the key objective, the policy establishes a structured and disciplined approach to Risk Management, in order to guide decisions on risk related issues.

#### **5. The specific objectives of the Risk Management Policy are:**

1. 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.
2. To establish a framework for the company's risk management process and to ensure its implementation.
3. To enable compliance with appropriate regulations, wherever applicable, through the adoption of best practices.
4. To assure business growth with financial stability.

#### **6. Regulatory framework/ requirement**

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

##### **6.1 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. Provisions of the Section 177(4) 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

## **II. Role and functions:**

The independent directors shall:

(1) help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;

(2) satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;

## **Constitution of Risk Management Committee**

Risk Management Committee shall be constituted by the company consisting of such number of directors (executive or non-executive) as the Company thinks fit. The majority of Committee shall consist of members of the Board of Directors. Senior executives of the Company may also be members of the said committee but the Chairman of the Committee shall be a member of the Board of Directors.

## **Meetings and Quorum**

The quorum necessary for transacting business at a meeting of the Committee shall be two members.

## **Authority**

The Committee shall have free access to management and management information. The Committee, at its sole authority, may seek the advice of outside experts or consultants where judged necessary.

#### **Role of The Board**

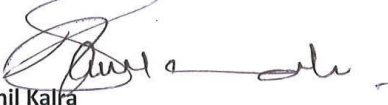
The Board will undertake the following actions to ensure risk is managed appropriately:

1. The Board shall be responsible for framing, implementing and monitoring the risk— management plan for the company.
2. 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.
3. Ensure that the appropriate systems for risk management are in place.
4. 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;
5. Have an awareness of and continually monitor the management of strategic risks;
6. Be satisfied that processes and controls are in place for managing less— significant risks;
7. Be satisfied that an appropriate accountability framework is working whereby any— delegation of risk is documented and performance can be monitored accordingly;
8. Ensure risk management is integrated into board reporting and annual reporting— mechanisms;
9. Convene any board-committees that are deemed necessary to ensure risk is— adequately managed and resolved where possible.

#### **Review**

This policy shall be reviewed at a minimum at least every year to ensure it meets the requirements of legislation & the needs of organization.

For Madura Industrial Textiles Limited

SK 

Sanil Kalra

Director

DIN: 00119674