

REGREEN-EXCEL EPC INDA LIMITED

RISK MANAGEMENT POLICY

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1. BACKGROUND

Regreen-Excel EPC India Limited (“**the Company**”) is a professionally managed Company into the business of delivering innovative technological solutions. Specializing in Ethanol, Distillery, Biofuel, CBG, Biomass Cogeneration, Waste Water & ZLD. We are committed to providing energy-efficient and sustainable solutions. The business activities of the Company carry various internal and external risks. ‘Risk’ in literal terms can be defined as the effect of uncertainty on the objectives. Risk is measured in terms of consequences and likelihood. Risks can be internal and external and are inherent in all administrative and business activities. Every member of any organization continuously manages several types of risks. Formal and systematic approaches to managing risks have evolved and they are called as ‘Risk Management.’ Risk Management is the identification, assessment, and prioritization of risks followed by coordinated and economical application of resources to minimize, monitor, and control the probability and/or impact of uncertain events or to maximize the realization of opportunities.

Effective risk management requires:

- A strategic focus
- Forward thinking and active approaches to management
- Balance between the cost of managing risk and the anticipated benefits and
- Contingency planning if critical threats are realized.

In today’s challenging and competitive environment, strategies for mitigating inherent risks in accomplishing the growth plans of the Company are imperative. The common risks inter alia are: Business risk, Technology obsolescence, return on investments, business cycle, inflation, Regulatory, competition, limited resources, retention of talent, etc.

2. LEGAL FRAMEWORK

Risk Management is a key aspect of corporate governance which aims to improvise the governance practices across the business activities of any organization. The Companies Act, 2013 (“**Act**”) and the provisions of SEBI (Listing Obligation and Disclosure Requirements), Regulation, 2015 (the “**Listing Regulations**”) have also incorporated various provisions in relation to Risk Management policy, procedure, and practices. The Risk Management Policy (“**the Policy**”) outlines the program implemented by the Company to ensure appropriate risk management within its system and culture.

The Policy is formulated in compliance with the regulation 17(9)(b) of the Listing regulations and provisions of the Act which requires Company to lay down procedures about risk assessment and risk minimization.

The Risk Management Committee shall have minimum three members with majority of them being Board of Directors, including at least one Independent Director. The Chairperson of the Committee shall be a member of Board and senior executives of the Company may be members of the Committee.

3. PURPOSE AND SCOPE OF THE POLICY

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 Company’s business. To achieve the key objective, this Policy establishes a structured and disciplined approach to Risk Management, to guide decisions on risk related issues.

The specific objectives of this Policy are:

- 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.
- To create a mitigation plan to minimize risk impact and likelihood
- To review the Business Continuity Plan

4. APPLICABILITY

This Policy applies to every part of the Company's business and functions.

5. KEY DEFINITIONS

- **"Risk Assessment"** – The systematic process of identifying and analyzing risks. Risk Assessment consists of a detailed study of threats and vulnerability and resultant exposure to various risks

- **"Risk Management"** – The systematic way of protecting business resources and income against losses so that the objectives of the Company can be achieved without unnecessary interruption.

- **"Risk Management Process"** - The systematic application of management policies, procedures, and practices to the tasks of establishing the context, identifying, analyzing, evaluating, treating, monitoring, and communicating risk.

6. RISK FACTORS

The objectives of the Company are subject to both external and internal risks that are enumerated below:

External Risk Factors

- Economic Environment and Market conditions
- Change in technology
- Competition
- Credit Risk
- Political Environment
- Inflation and Cost structure
- Legal

Internal Risk Factors

- Operational Efficiency
- Hurdles in optimum utilization of resources
- Human Resource Management & talent retention
- Culture and values
- Contractual Compliance

7. RESPONSIBILITY FOR RISK MANAGEMENT

Every member of the Organization is responsible for the effective management of risk including the identification of potential risks. Management is responsible for the development of risk mitigation plans and the implementation of risk reduction strategies. Risk management processes should be integrated with other planning processes and management activities. The internal risk committee of the Company shall provide the updated risk register for the perusal of the Risk Committee constituted by the Board of Directors of the Company.

8. COMPLIANCE AND CONTROL

All the senior executives under the guidance of the Chairperson of the Risk Committee have the responsibility for over viewing management's processes and results in identifying, assessing, and monitoring risk associated with Organization's business operations and the implementation and maintenance of policies and control procedures to give adequate protection against key risk. In doing so, the senior executive considers and assesses the appropriateness and effectiveness of management information and other systems of internal control, encompassing review of any external agency in this regards and action taken or proposed resulting from those reports.

9. REVIEW

This Policy shall be reviewed on a need basis to ensure that its internal control systems and processes are monitored and updated on an ongoing basis.

10. AMENDMENT

This Policy can be modified at any time by the Board of Directors of the Company.
