

D S KULKARNI DEVELOPERS LIMITED

RISK MANAGEMENT POLICY

1) 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 ("Risk Management Policy") establishes a structured and disciplined approach to Risk Management, including the development of the Risk Register, in order to guide decisions on risk evaluating & mitigation related issues. The Risk Management Policy is in compliance with the Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and provisions of Companies Act, 2013, which requires the Company to lay down procedures about risk assessment and risk minimization.

2) Definitions

"Company": Company means D S Kulkarni Developers Limited.

"Risk": A probability or threat of damage, injury, liability, loss, or any other negative occurrence that may be caused by internal or external vulnerabilities; that may or may not be avoidable by pre-emptive action.

"Risk Management": Risk Management is the process of systematically identifying, quantifying, and managing all risks and opportunities that can affect achievement of a corporation's strategic and financial goals.

"Risk Assessment": Risk Assessment is defined as the overall process of risk analysis and evaluation.

"Risk Register": A 'Risk Register' is a tool for recording the risks identified under various operations.

3) RISK MANAGEMENT

- a. Risk Management shall provide reasonable assurance in protection of business value from uncertainties and consequent losses.
- b. All concerned process owners of the company shall be responsible for identifying & mitigating key risks in their respective domains.
- c. The occurrence of risk, progress of mitigation plan and its status will be monitored on periodic basis.

4) RISK MANAGEMENT PROCEDURES :

a. General

Risk management process includes four activities: Risk Identification, Risk Assessment, Risk Mitigation and Monitoring & Reporting.

b. Risk Identification

The purpose of risk identification is to identify the events that can have an adverse impact on the achievement of the business objectives. All risks identified are documented in the form of a Risk Register. Risk Register incorporates risk description, Category, Classification, mitigation plan, responsible function / dept.

c. Risk Assessment

Assessment involves quantification of the impact of risks to determine potential severity and probability of occurrence. Each identified risk is assessed on two factors which determine the risk exposure:

- A. Impact if the event occurs
- B. Likelihood of event occurrence

d. Risk Categorization

It is necessary that risks are assessed after taking into account the existing controls, so as to ascertain the current level of risk. Based on the above assessments, each of the Risks can be categorized as – Low, Medium and High.

5) RISK MITIGATION

Identified risks should be mitigated using any of the following Risk mitigation plans:

- a. Risk Avoidance: By not performing an activity that could carry risk. Avoidance may seem the answer to all risks, but avoiding risks also means losing out on the potential gain that accepting (retaining) the risk may have allowed.
- b. Risk Transfer: Mitigation by having another party to accept the risk, either partial or total, typically by contract or by hedging / Insurance.
- c. Risk Reduction: Employing methods/solutions that reduce the severity of the loss e.g. concreting being done for preventing landslide from occurring.
- d. Risk Retention: Accepting the loss when it occurs. Risk retention is a viable strategy for small risks where the cost of insuring against the risk would be

greater than the total losses sustained. All risks that are not avoided or transferred are retained by default.

6) RISK MANAGEMENT COMMITTEE:

The Board of Directors of the Company shall constitute a Risk Management Committee comprising members of the Board and key members of the senior management (hereinafter referred to as “RMC”) as specified in the Listing Regulations. The Committee shall be responsible for ensuring that the Company maintains effective risk management and internal control systems and processes and provides regular reports to the Board on the effectiveness of the risk management program in identifying and addressing material business risks. The role of the Committee shall be as specified under the Listing Regulations.

7) INTERNAL RISK MANAGEMENT COMMITTEE (IRMC):

The Company will constitute a committee comprising certain members of the senior leadership team, which will be collectively responsible for monitoring the risk management process across the Company (“Internal Risk Management Committee”) and driving a risk culture in the Company. Business Chief Operating Officers (COOs) shall be responsible for managing risks at an operational level for their respective business units.

8) MONITORING AND REVIEWING RISKS RISK:

Monitoring, reviewing mitigating and reporting are critical components of the Risk Management process. Once risks are identified, it is necessary to prioritize them based on the impact, dependability on other functions, effectiveness of existing controls etc. Process of assessment of Identified risks and mitigation plans will be apprised to the Board from time to time or as specified under the Listing Regulations.

9) AMENDMENT:

Any change in the Policy shall be approved by the Board of Directors of the Company. The Board of Directors shall have the right to withdraw and/or amend any part of this Policy or the entire Policy, at any time, as it deems fit, or from time to time, and the decision of the Board in this respect shall be final and binding. Any subsequent amendment/modification in the Companies Act, 2013 or the Rules framed thereunder or the Listing Regulations and/or any other laws in this regard shall automatically apply to this Policy.
