

BEDMUTHA INDUSTRIES LIMITED



LODR	= Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
COSO	= Committee of Sponsoring Organisations
ERM	= Enterprise Risk Management
RMC	= Risk Management Committee
BCP	= Business Continuity Plan
VUCA	= Volatile, Uncertain, Complex and Ambiguous
ESG	= Environmental, Social & Governance

BEDMUTHA INDUSTRIES LIMITED

2. RISK MANAGEMENT POLICY

1. Objective:

This Policy (“**Policy**”) aims to ensure resilience for sustainable growth and sound Corporate Governance by having an identified process of Risk Identification and Management (in compliance with the provisions of the Companies Act, 2013 and Regulation 17 (9) of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. (“**LODR**”)

2. Applicability and Effective Date:

The Policy applies to all Units and Functions of the Company, whether known as Head / Regional / Area / Branch Office, Department, Location/Premises, Vertical, Project/Construction Site, Project Management, Casting Yard, Assembly, Manufacturing, Processing, etc. (“Unit/s”). This Policy documents the present practices and will continue to capture practices which evolve/clarified from time to time and communicated in writing, as may be revised / amended / modified.

3. Policy:

The Company (including its Group Organisations) follow the Committee of Sponsoring Organisations (**COSO**) framework of Enterprise Risk Management (**ERM**) to classify, communicate, respond to risks and opportunities based on probability, frequency, impact, exposure and resultant vulnerability and ensure Resilience such that:

- a) Intended risks, like for growth, are taken prudently so as to plan for the best and be prepared for the worst through de-risking strategies clearly defined priorities across strategic purposes, consistent rationale for resource allocation, stress testing on what if kind of scenarios on critical factors even if source is indirect, probability is uncertain and impact is immeasurable, better anticipation, flexibility and due diligence.
- b) Execution of decided plans is handled with action focus.
- c) Unintended risks like related to performance, operations, compliance, systems, incident, process and transaction are avoided, mitigated, transferred (like in insurance), shared (like through sub-contracting) or probability, or impact thereof is reduced through tactical and executive management, code of conduct, competency building, policies, processes, inbuilt systems controls,

MIS, internal audit reviews etc. No threshold limits are defined as objective will be to do the best possible.

- d) Knowable unknown risks in fast changing Volatile, Uncertain, Complex and Ambiguous (**VUCA**) conditions are managed through timely sensitization of markets trends, shifts and stakeholders sentiments.
- e) Overall risk exposure of present and future risks remains within Risk capacity.

4. Process:

- a. The Risk owners identify risks, opportunities & make risk response plans.
- b. High risks affecting Units are discussed at respective locations.
- c. Risks affecting the entire Company are discussed at Corporate meetings.
- d. The Risk Committee of Directors consisting of Executive & Nominated Directors reviews the framework & high risks and opportunities which are emerging or where impact is substantially changing.
- e. Board of Directors takes note of proceedings at Risk Committee of Directors.
- f. Risk Management Cell facilitates discussion on business risks.
- g. Internal Audit reviews process risks & controls.

5. Roles & Responsibility:

- a. The Board of Directors ("**the Board**") is responsible for implementing and monitoring the Risk Management Plan of the Company. The Board shall constitute a Risk Management Committee (**RMC**) on applicability of the provisions of RMC as per SEBI (LODR) Regulation, 2015. The Board shall define the roles and responsibilities of the RMC and may delegate monitoring and reviewing of the Risk Management Plan to the RMC including Cyber Security and such other risks/functions as it may deem fit.
- b. The RMC shall –
 - Ensure that appropriate methodology, processes, and systems are in place to monitor and evaluate risks associated with business of the Company.
 - Monitor and oversee implementation of the Risk Management Policy, including evaluation of the adequacy of Risk Management Systems/Plan.
 - Periodically review the policy, at least once in a year, considering the changing industry dynamics and evolving complexity, during the last quarter of the Financial year or as and when any major/significant risks/opportunity arises.
 - Keep the Board informed about the nature and content of RMC discussions and recommendations, as well as the actions taken or to be taken.
- c. RMC shall assist the Board with the identification and management of risks to which the Company and its Group is/are exposed.

Constitution of RMC

*The majority of RMC shall consist of Members of the Board. The Risk Committee of Directors consisting of mix of some Executive Directors & at least one nominated Independent Director. Senior Executives of the Company may be Members of the said Committee. The Chairman of the Committee shall be a Member of the Board. RMC Members shall have a working familiarity with the fundamentals of business, finance, accounting, legal, compliance and risk management, and represent a range of backgrounds, skills and experiences due to the strategic, business, operational, financial and non-financial risk profiles of the Company. The Board shall take note of proceedings of Risk Management Committee meeting of Directors and shall act on them. All necessary provisions related to applicability of RMC, its constitution, quorum, manner of conducting the meeting, role and responsibility(ies) of the RMC etc. shall be and considered as per the applicable provisions/regulations of the SEBI (LODR) Regulations, 2015 read with the Companies Act, 2013.

- d. The CEO/MD shall be primarily responsible for all the Company risks and determine its risk capacity under the guidance of the Chairman to ensure that risk exposures are within the limit.
- e. Unit/Functional Risk Owners – Unit In-charge shall be responsible for all risks related to his Unit. Functional Head shall be responsible for the risks related to the specific functions.

6. Business Continuity Plan (BCP):

All Site Units/Plant Head/Senior Management of the Company shall have Business Continuity Plan (BCP). The main objective of BCP is to maintain business continuity in case of unplanned/unexpected events & potential disruptive incidents with an aim to minimize impact on –

- Human life and other living beings
- Environment and related Eco systems
- Economic losses
- All stakeholders (such as investors, employees, Directors, Government, Suppliers, local communities).

7. Environmental, Social & Governance (ESG) risks:

The Company is engaged in building infrastructure which involves various environmental, safety, operational & governance risks. The Company's aim has always been for an all-inclusive & sustainable growth while addressing these risks. The key risks identified have been tagged with Environmental / Social /Governance category for a holistic review from Sustainability point of view. All mandates by the Authorities and the Company must be holistically and faithfully followed by all concerned and any difficulties/deviations discussed, decided, and implemented with the concerned at the Head Office.

.....

Note:

1. The Original Policy on the above topic was approved by the Board of Directors in their Meeting held on March 29, 2019.
2. The above Policy was revised and approved by the Board of Directors in their Meeting held on February 12, 2025.

BEDMUTHA INDUSTRIES LIMITED
CIN - L31200MH1990PLC057863
A-70/71/72, STICE, MUSALGAON MIDC, SINNAR,
DIST. NASHIK – 422 112.
TELEPHONE NO: PH.: +91-2551-240320
cs@bedmutha.com | <https://www.bedmutha.com>