

**RISK MANAGEMENT POLICY**

**G M BREWERIES LIMITED**

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## **Introduction**

Risk management is an integral component of good corporate governance & fundamental in achieving the company's strategic & operational objectives. It improves decision making, defines opportunities & mitigates material events that may impact shareholder value.

GM Breweries Limited desires to refine its organizational wide capabilities in risk management so as to ensure a consistent, efficient & effective assessment of risk in the achievement of organization's objectives. It views risk management as integral to its objective of creating & maintaining business continuity, shareholder value & successful execution of its strategies.

The Company believes that a robust Risk Management ensures adequate controls & monitoring mechanisms for a smooth & efficient running of the business. The Company's risk management policy provides the framework to manage the risks associated with its activities. It is designed to identify, assess, monitor & manage risk.

## **Statutory Requirements**

Section 134(3) of the Companies Act, 2013 requires a statement to be included in the report of the board of directors ("Board") of G.M. Breweries Limited ("the Company"), 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.

Furthermore, Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations"), requires that the Company set out procedures to inform the Board of risk assessment and minimization procedures and makes the Board responsible for framing, implementing and monitoring the risk management plan of the Company.

## **Objectives**

The Risk Management Policy (RMP) forms an integral part of the Corporate Governance and Code of Conduct which aims to improvise the governance practice across the Company's activities. The Company's Risk Management Policy has been framed in line with the Company's objective for sustainable business growth with stability and to increase the stakeholder values. The specific objectives of the policy are:

- a) To report, evaluate and mitigate all the current and future risks associated with the business.
- b) To provide framework that enables future activities to take place in a consistent and controlled manner.

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- c) To enable compliance with appropriate regulations, wherever applicable, through the adoption of best practices.
- d) To assure business growth with financial stability.
- e) To define, review and monitor the mechanism wherein the functional teams, the top management and the Board review the progress of the mitigation plans.

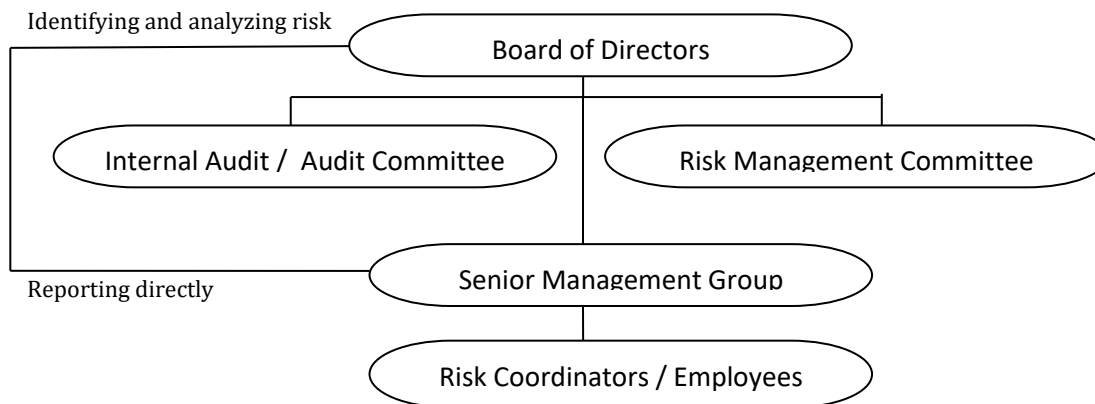
## **Constitution of Risk Management Committee**

The Company has in place a Risk Management Committee (“RMC”) chaired by an Independent Director which assists the Board in monitoring & overseeing implementation of the risk management policy, including evaluating the adequacy of risk management systems & such other functions as mandated under the SEBI Listing Regulations & as the board may deem fit from time to time.

## **Application**

This policy applies to all areas of the Company’s operations.

## **Hierarchy of Risk Management**



## **Risk Management Process**

- Identifying existing risks
- Assess the risks
- Develop an appropriate response
- Develop preventive mechanisms for identified risks
- Reporting and Review

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