

# **RISK MANAGEMENT POLICY**

**[Pursuant to Regulation 17(9) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]**



**Laser Power & Infra Limited**

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## TABLE OF CONTENT

1. Introduction .....	2
2. Objective .....	2
3. Applicability .....	2
4. Constitution of Risk Management Committee.....	3
5. Classification of Risks .....	3
6. Risk Governance .....	4
7. Imperatives .....	4
8. Risk Oversight .....	4
9. Business Continuity Plan .....	5
10. Policy Review.....	6
11. Disclosure of the Policy .....	6

## 1. Introduction

The Board of Directors (the “Board”) of Laser Power & Infra Limited (the “Company”) has adopted this Risk Management Policy (the “Policy”) as required under Regulation 17(9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “Listing Regulations”), provisions of Companies Act, 2013 (“Act”), which require listed Companies to lay down procedures about Risk assessment and risk minimization and other applicable provisions (including any statutory enactments / amendments thereof).

## 2. Objective

The Risk Management Policy outlines the risk management process being followed by the Company and set outs the responsibilities of the Board, Risk Management Committee, Internal Risk Management Committee, Senior Management and others within the Company in relation to Risk Management.

The **key objectives** of this policy are:

- Safeguard the Company property, interests, and interest of all stakeholders.
- identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
- Business continuity plan
- Measures for risk mitigation including systems and processes for internal control of identified risk
- Evolve the culture, processes and structures that are directed towards the effective management of potential opportunities and adverse effects, which the business and operations of the Company are exposed to.
- Balance between the cost of managing risk and the anticipated benefits.
- To create awareness among the employees to assess risks on a continuous basis & develop risk mitigation plan in the interest of the Company.
- Provide a system for setting of priorities when there are competing demands on limited resources 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 evaluating and mitigation related issues.

## 3. Applicability

This policy applies to all functions and units of “**Laser Power & Infra Limited**”.

#### 4. Constitution of Risk Management Committee

- a) Risk Management Committee shall be constituted by the Board, under the applicable Statutes, consisting of minimum three members with majority of them being members of the board of directors, including at least one independent director. The Chairperson of the Risk management committee shall be a member of the board of directors and senior executives of the listed entity may be members of the committee.
- b) This Policy and the Terms of Reference of Risk Management Committee are integral to the functioning of the Risk Management Committee and are to be read together.
- c) The Board has authority to reconstitute the Risk Management Committee from time to time as it deems appropriate.
- d) The risk management committee shall meet at least twice in a financial year. The meetings of the risk management committee shall be conducted in such a manner that on a continuous basis not more than two hundred and ten days shall elapse between any two consecutive meetings.
- e) The quorum for a meeting of the Risk Management Committee shall be either two members or one third of the members of the committee, whichever is higher, including at least one member of the board of directors in attendance.
- f) The board of directors shall define the role and responsibility 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, such function shall specifically cover cyber security.

#### 5. Classification of Risks

In order to identify and assess material business risks, the Company defines risks and prepares risk profiles in light of its business plans and strategies. This involves providing an overview of each material risk, making an assessment of the risk level and preparing action plans to address and manage the risk.

The Company majorly focuses on the following types of material risks:

- Business risk;
- Foreign exchange risk;
- Technological risk;
- Cyber Security risk;
- Strategic business risk;
- Operational risk;
- Sectoral risk;
- Quality risk;

- Competition risk;
- Realization risk;
- Cost risk;
- Financial risk;
- Human resource risk; and
- Legal/regulatory risk.
- And any other risk as may be determined by the Committee

## 6. Risk Governance

The functional heads of the Company are responsible for managing risk on various parameters and ensure implementation of appropriate risk mitigation measures. The Risk Management Committee provides oversight and reviews the risk management policy from time to time. The Risk Management Committee shall have powers to seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.

## 7. Imperatives

All employees and above must implement our Principles of Risk Management as follows:

- **Accountability:** Identify and manage the risks that relate to their role;
- **Risk Appetite:** Determine the level of risk, after the implementation of controls, that they are prepared to accept such that there is no significant threat to achieving their objectives; and
- **Risk Mitigation:** Put adequate controls in place, and ensure that they are operational, in order to deliver their objectives.

## 8. Risk Oversight

### Board of Directors:

The Board shall be responsible for framing, implementing and monitoring the risk management plan for the Company. The Board shall on recommendation of the Risk Management Committee adopt the Risk Management Policy and critically review the risk governance and monitoring mechanism. The Board shall meet at least once in a year to review the top risks faced by the Company and the status of their mitigation plan. The board shall lay down the framework for risk management committee to coordinate its activities, where there is any overlap with activities of such committee.

### Audit Committee:

The Audit Committee shall meet at least once in a year to oversee the risk management and internal control arrangements and shall also evaluate Internal Financial Controls and risk management systems of the Company.

### **Risk Management Committee:**

Risk Management Committee shall assist the Board in framing policy, guiding implementation, monitoring, and reviewing the effectiveness of Risk Management Policy and practices. The Committee shall act as a forum to discuss and manage key strategic and business risks.

The role of the committee shall, inter alia, include the following:

1. To formulate a detailed risk management policy which shall include:
  - a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
  - b) Measures for risk mitigation including systems and processes for internal control of identified risks.
  - c) Business continuity plan.
2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
5. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
6. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.
7. The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors

### **9. Business Continuity Plan**

Business Continuity Plans (BCP) are required to be defined for High Impact & High Velocity risk, to enable rapid response to address the consequence of such risks when they materialize. Business Continuity Planning shall be embedded in the Internal Controls and Crisis Management framework for products, systems and processes etc.

#### **10. Policy review**

This Policy is framed based on the provisions of the Listing Regulations. In case of any subsequent changes in the provisions of Listing Regulations or any other applicable law which make the provisions in the Policy inconsistent with the Listing Regulations or any other applicable law, the provisions of the Listing Regulations and such law shall prevail over the Policy and the provisions in the Policy shall be modified in due course to make it consistent with the law.

#### **11. Disclosure of the Policy**

The Policy will be uploaded on the website of the Company and a web link thereto shall be provided in its Annual Report.