

## **RISK MANAGEMENT POLICY**

### **Introduction:**

This Policy is in compliance with SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015 and provisions of Companies Act, 2013 read with Rules made thereunder which requires the Company to lay down procedures about the risk assessment and risk minimization.

Oriental Nagpur Betul Highway Limited (“ONBHL” or “the Company”) recognizes that enterprise risk management is an integral part of good management practice. Risk management is an essential element in achieving business goals and deriving benefits from market opportunities.

### **Policy Overview:**

The Company’s risk management policy relates to identification, assessment, monitoring and mitigation of various risks to our business. The policy seeks to minimize adverse impact on our business objectives and enhance stakeholder value.

Risk Management will be a continuous process of analysing and managing the opportunities and threats faced by the Company in its efforts to achieve its goals, and to ensure the continuity of the business.

### **1. Introduction:**

#### **1.1 Objectives**

Risk is an inherent aspect of the dynamic business environment. Risk Management Policy helps organizations to put in place effective frameworks for taking informed decisions about risks. To minimize the adverse consequence of risks on business objectives, the Company has framed this Risk Management Policy. The guidance provides a route map for risk management, bringing together policy and guidance from Board of Directors.

#### **Importance of Risk Management**

A certain amount of risk taking is inevitable if the organization is to achieve its objectives. Effective management of risk helps to manage innovation and improve performance by contributing to:

- Increased certainty and fewer surprises,
- More effective management of change,
- More efficient use of resources,
- Better management at all levels through improved decision making,
- Innovation,
- Management of contingent and maintenance activities.

## 1.2 Definitions

**Company:** means Oriental Nagpur Betul Highway Limited

**Audit Committee:** Committee of Board of Directors of the Company constituted under the provisions of the Companies Act, 2013 and SEBI (LODR).

**Board of Directors / Board:** As per Section 2(10) of "The Companies Act, 2013", in relation to a Company, means the collective body of Directors of the Company.

**RMP / Policy:** Risk Management Policy

## 2. Classification of Risks

The risk can be identified as being internal or external, secondly subject matter wise the risk can be classified as:

- I. Business and Operations risks
- II. Financial risks
- III. Regulatory compliance risks
- IV. Policy risks (particularly, environment, safety and governance related risks)
- V. Cyber security risks

### I. Business and Operations risks

Business/Operations risk relates to the day to day business activities carried out within an organisation, arising from structure, systems, people, products or processes. The Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events.

Broadly, these risk are as follows:

1. Premature termination of Project SPV's road concessions under certain circumstances.
2. Changes in policies adopted by governmental agencies.
3. Default in material agreements like O&M and PM Agreement.
4. Natural calamity- floods, earthquake, epidemic / pandemic etc.
5. Force majeure events like Covid-19.
6. Compliances with, and changes in, safety, health and environmental laws and regulations.
7. Any slow-down in the Indian economy or in financial market like interest rate increase, changes in fiscal or monetary policies, etc.

## **II. Financial risks**

Financial risk is the possibility of losing money on an investment or business venture such as:-

1. Constraints on our ability to raise additional debt capital.
2. Downgrade of credit rating.

## **III. Regulatory compliance risks**

The rapidly changing legislative framework in India requires a very stringent compliance by corporate entities to the provisions of the Companies Act, 2013, Secretarial Standards, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and various other regulations framed by SEBI on a regular basis, which provide stringent provisions including imposition of penalty and prosecution.

## **IV. Policy risks (particularly, environment, safety and governance related risks)**

Policy risk is basically the possibility of change in government policies, additional taxes and charges, etc.

## **V. Cyber security risks**

Organizations are becoming more vulnerable to cyber threats due to the increasing reliance on computers, networks, programs, social media and data globally. Data breaches, a common cyberattack, have massive negative business impact and often arise from insufficiently protected data.

Potential targets under cyber security risk are employee data, contract terms and pricing, strategic planning and financial data.

## **Measures for risk mitigation including systems and processes for internal control of identified risks:**

The Risk Management Committee shall review the risk based control system and evolve a procedure for risk assessment and timely rectification which will help in minimisation of risk associated with any operational, financial, compliance and policy risk across the Company.

These control procedures and systems will ensure that the Board is periodically informed of the material risks faced by the Company and the steps taken by the Company to mitigate those risks.

## **Review and Amendment of this Policy**

This policy will be reviewed as and when required by the Committee, or at such interval as may be prescribed under the applicable law.

**Limitation and Amendment**

In the event of any conflict between the Act or the SEBI Regulations or any other statutory enactments (“Regulations”) and the provisions of this policy, the Regulations shall prevail over this policy. Any subsequent amendment / modification in the Regulations, in this regard shall automatically apply to this policy.