

RISK MANAGEMENT POLICY

Corporate Identification Number [CIN]: L45200GJ1991PLC015817
Registered Office: Ganesh Corporate House, 100 Feet Hebatpur Thaltej Road,
Near Sola Bridge, Off S. G. Highway, Ahmedabad 380 054

GANESH HOUSING CORPORATION LTD.

D. G. D. D.

CHAIRMAN

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1. INTRODUCTION:

The Board of Directors of Ganesh Housing Corporation Limited ('the Company') has adopted the following policy and procedures with regard to risk management as defined below. The Board may review and amend this policy from time to time.

In order to minimize the adverse impact on company's pre-conceived objects and missions we have framed this Risk Management Policy. By bringing the policy together it provides a roadmap for managing & assessing the risk to the Company.

2. OBJECTIVE:

The Policy is framed based on the applicability of the Regulation 17(9)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and provisions of Companies Act, 2013, which require the Company to lay down procedures about risk assessment and risk minimization.

The main objective of this policy is to create and protect shareholders value by minimizing threats or losses, and identifying and maximizing opportunities. It seeks to identify risks inherent in any business operations of the Company and provides guidelines to define, measure, report, control and mitigate the identified risks. In order to achieve the key objective, the policy ("Risk Management Policy") establishes a structured and disciplined Risk Management Committee who would be responsible to the Board of Directors of the Company.

3. EFFECTIVE DATE:

This Policy will be effective from April 1, 2022.

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4. DEFINITIONS:

- (a) **"Regulations"** means SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015
- (b) **"Board or Board of Directors"** means Board of Directors of the Company.
- (c) **"Director"** means Directors of the Company.
- (d) **"Audit Committee"** means Committee of Board of Directors of the Company.
- (e) **"Committee"** means Risk Management Committee of the Company as constituted or reconstituted by the Board from time to time.
- (f) **"Company"** means Ganesh Housing Corporation Limited (GHCL).
- (g) **"Independent Director"** means a director referred to in Section 149(6) of the Companies Act, 2013.
- (h) **"Risk"** means 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.
- (i) **"Risk Management"** means a process of systematically identifying, quantifying, and managing all risks and opportunities that can affect achievement of a corporation's strategic and financial goals.
- (j) **"Risk Assessment"** means to define as the overall process of risk analysis and evaluation.
- (k) **"Policy"** means Risk Management Policy.

5. CONSTITUTION OF RISK MANAGEMENT COMMITTEE:

The Committee comprises of the following Directors initially:

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Dr. Lalit

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Sr. No.	Name	Position	Category
1.	Dipakkumar Govindbhai Patel	Chairman	Promoter Executive Director
2.	Shekhar Govindbhai Patel	Member	Promoter Executive Director
3.	Tarang Madhurkar Desai	Member	Independent Non - Executive Director
4.	Ashish Harishkumar Modi	Member	Independent Non - Executive Director

The Board has the power to reconstitute the committee consistent with the Company's Policy and applicable statutory requirement.

6. POLICY

- The Board has to review the business plan at regular intervals and develop the Risk Management Strategy which shall encompass laying down guiding principles on proactive planning for identifying, analyzing and mitigating all the material risks, both external and internal viz. Strategic, Operational, Financial and others.
- Communication of Risk Management Strategy to various levels of management for effective implementation would be essential.
- Risk Identification is obligatory on all vertical and functional heads who with the inputs from their team members are required to report the material risks to the Audit Committee along with their considered views and recommendations for risk mitigation.

- Analysis of all the risks thus identified shall be carried out by the Audit Committee through participation of the vertical/functional heads.

7. RISK MANAGEMENT COMMITTEE:

- The Board of Directors of the Company have formed a Risk Management Committee (hereinafter referred to as “Committee”) who shall periodically review the risk management policy of the Company so that the management controls the risk through properly defined network.
- The Board of Directors may re-constitute the composition of the Committee, as it may deem fit, from time to time.
- The day to day operations and management of the company’s risk management program has been conferred upon the Committee. The Committee is responsible for ensuring that the Company maintains effective risk management and internal control systems and processes, and provides regular reports to the Audit Committee on the effectiveness of the risk management program in identifying and addressing material business risks.
- Role of the Committee:
 - i. 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*
- ii. *To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;*
- iii. *To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;*
- iv. *To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;*
- v. *To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;*
- vi. *The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.*

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.

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D. S. Patil

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8. RISK MANAGEMENT PROCEDURE:

A. Risk Identification:

To identify organization's exposure to uncertainty, risk may be classified in the following:

- i. Strategic Risks*
- ii. Operational Risks*
- iii. Financial Risks*
- iv. Governance Risk*
- v. IT System Risk*
- vi. Sectoral Risk*
- vii. Sustainability Risk (ESG)*

These are some of the evaluated risk by the Board in accordance with the present situation which may differ with the Internal and External factors in coming future.

B. Risk Assessment:

- After risk identification, 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:
 - i) Impact if the event occurs
 - ii) Likelihood of event occurrence

C. Risk Management:

- Risk shall be assessed and the control actions or mitigation plan or risk financing, risk absorption, effective and efficient operations, effective Internal Controls, Compliance with laws and regulations should be developed by the Committee for any type of Risk.
- The Mitigation Plan should include the following:

- i) acceptance of risk,
 - ii) reduction of risk and
 - iii) avoid or eliminate the risk
 - iv) retention of risk
- The Cost of controlling or mitigating the risk should not exceed the magnitude of Risk except in the following:
 - i) Regulatory and Compliance
 - ii) Health, Safety and Environment

(For these two risk proper control and mitigation is must)

- Risk Management shall be applied at all levels through carefully selected validations at each stage to ensure smooth achievement of the objective.

D. Risk Monitoring and Reporting:

- Risk monitoring, reviewing mitigating and reporting are critical components of 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.
- The Board of Directors of the Company have formed the Committee who shall periodically review the risk of the Company so that the management controls the risk through properly defined network.
- The Committee after reviewing the risk would report the same to the Audit Committee.

The Audit Committee has overall responsibility for monitoring and approving the risk policies and associated practices of the Company.