



TECHNOCRAFT VENTURES LIMITED

(Formerly known as M/s Technocraft Construction Private Limited)

ISO 4500:2018 | ISO 14001:2015 | ISO 9001:2015 Certified

RISK MANAGEMENT POLICY

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1. Introduction

- 1.1 Technocraft Ventures Limited (“**Company**”) considers ongoing risk management to be a core component of the Management of the Company and understands that the Company’s ability to identify and address risk is central to achieving its corporate objectives.
- 1.2 This Risk Management Policy (“**Policy**”) outlines the program implemented by the Company to ensure appropriate risk management within its systems and culture and is meant to ensure continuity of business and protection of interests of the investors and thus covers all the activities within the Company and events outside the Company which have a bearing on the Company’s business.
- 1.3 This Policy has been formulated by the Company pursuant to Regulation 17(9)(b) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Listing Regulations**”) and Regulation 21 read with Schedule II Part D (C) of the Listing Regulations, and Section 134(3) of the Companies Act, 2013 (“**Act**”). Section 134(3) of the Act requires companies to lay down a risk management plan by mandating a statement to be included in the report of the Board of Directors of the Company (“**Board**”) 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.
- 1.4 Furthermore, Regulation 17 of the Listing Regulation 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.
- 1.5 The Company has formulated this Policy to protect the interests of all the stakeholders and to be in compliance with the applicable laws. This policy informs key people about possible Company risks and details how the Company plans and tracks its efforts to mitigate those risks.

2. Effective Date

This policy will come into effect from the date of its adoption by the Board.

3. Objectives and Purpose

- 3.1 This Policy has been framed in line with the Company’s objective towards increasing stakeholder value. The Policy attempts to identify the key events/risks impacting the business objectives of the Company and attempts to develop risk policies and strategies to ensure timely evaluation, reporting and monitoring of key business risks. These include:
 - (a) Providing a framework for identification of potential internal and external risks for the Company, including strategic, financial, operational, sectoral, sustainability (particularly, environment, social, and governance related risks), information, cybersecurity risks, legal and regulatory risks, or any other risks as may be determined by the Committee;
 - (b) Providing a framework that enables future activities in a consistent and controlled manner.
 - (c) Gaining a clear, organised view of the business to improve planning, prioritisation, and decision-making by understanding risks and opportunities;
 - (d) Improving decision making, planning and prioritization by a comprehensive and structured understanding of business activities, volatility and opportunities/ threats;
 - (e) Contributing towards more efficient use/ allocation of the resources within the organization;
 - (f) Safeguarding and strengthening the company's assets and public image;

- (g) Minimizing fluctuations and uncertainties in various business areas;
- (h) Investing in the development of the organization's people and expertise;
- (i) Maximizing efficiency in day-to-day operations; and
- (j) Effectively implement and maintain the business continuity plan in all possible adverse situations.

4. Definitions

4.1 Except where the context otherwise requires, the following capitalized words and expressions shall have the meaning as specified hereunder:

- (a) **“Board”** shall mean the Board of Directors of the Company, as constituted from time to time as per the relevant laws and regulations;
- (b) **“Risk”** shall mean the effect of uncertainty on the objectives. Risk is measured in terms of consequences and likelihood. Risks can be internal and external and are inherent in all administrative and business activities. Every member of any organisation continuously manages various types of risks. Formal and systematic approaches to managing risks have evolved and they are now regarded as good management practice, also called as risk management;
- (c) **“Risk Management”** shall mean the identification, assessment, and prioritization of risks followed by coordinated and economical application of resources to minimize, monitor, and control the probability and/or impact of uncertain events or to maximize the realisation of opportunities. Risk management also provides a system for the setting of priorities when there are competing demands on limited resources;
- (d) **“Risk Management Committee”** shall mean the committee formed by the Board in accordance with Regulation 21 of the Listing Regulations;
- (e) **“Risk Assessment”** shall mean the overall process of risk analysis and evaluation.

4.2 Further, the words and expressions used in this Policy and not defined herein but defined in the Act and the Listing Regulations, as may be amended from time to time, shall have the meaning respectively assigned to them therein.

5. Policy

5.1 Our risk management approach is composed primarily of three components:

- (a) Risk Governance;
- (b) Risk Identification; and
- (c) Risk Assessment and Control.

(a) Risk Governance

- (i) The functional heads of the Company are responsible for managing risk on various parameters and ensuring the implementation of appropriate risk mitigation measures.
- (ii) The Risk Management Committee provides oversight and reviews the risk management policy from time to time.

(b) Risk Identification

- (i) External and internal risk factors that must be managed are identified in the context of business objectives.

- (ii) Risk identification forms the core of the Risk Management system. Multiple approaches for Risk identification are applied to ensure a comprehensive Risk Identification process.

(c) Risk Assessment and Control

- (i) Identified risks are systematically analyzed to determine their potential impact and likelihood, enabling prioritization based on severity and probability of occurrence.
- (ii) Each identified risk is evaluated using both qualitative and quantitative measures to assess its impact on the Company's operations, financials, reputation, and compliance requirements.
- (iii) Based on the risk evaluation, appropriate control measures are designed and implemented, which may include preventive actions, mitigation strategies, transfer mechanisms, or acceptance plans in case of low-risk exposures.
- (iv) Contingency plans and standard operating procedures are developed for high-impact risk scenarios to ensure timely and effective response in case of adverse events.

5.2 The Company identifies sources of Risk, areas of impact, events and their causes with potential consequences. Key Risks on which the Company presently focuses can be broadly subdivided into internal and external Risks and may include the following:

Internal Risks:

- (i) Technological risks;
- (ii) Financial risks;
- (iii) Operational risks;
- (iv) Strategic business risks;
- (v) Legal and regulatory compliance risks;
- (vi) Cybersecurity risks;
- (vii) Cost risks.

External Risks:

- (i) Economic, environment and market conditions risks
- (ii) Competition risks;
- (iii) Government policy, political and sectorial risks
- (iv) Risk related to intellectual property rights; and
- (v) Sustainability (ESG) risks.

5.3 On a periodic basis, external and internal risk factors are assessed by responsible managers across the organization. The risks are identified and formally reported through mechanisms such as operational reviews and committee meetings. Internal control is exercised through policies and systems to ensure timely availability of information that facilitates proactive risk management. Examples of certain of these identified risks are as follows:

- (i) Broad market trends and other factors beyond the Company's control significantly reducing demand for its services and harming its business, financial condition and results of operations;
- (ii) Failure in implementing its current and future strategic plans;
- (iii) Significant and rapid technological change;
- (iv) Damage to its reputation;
- (v) Its products are losing market appeal, and the Company is not being able to expand into new product lines or attract new types of investors.
- (vi) Its risk management methods and insurance policies are not being effective or adequate;
- (vii) Fluctuations in trading activities;
- (viii) Changes in interest rates;
- (ix) Changes in government policies;
- (x) Security risks and cyber-attacks; and
- (xi) Insufficient systems capacity and system failures.

6. Risk Management Committee

6.1 The Company has a committee of the Board, namely, the Risk Management Committee, which has been constituted with the overall responsibility of overseeing and reviewing risk management across the Company. The terms of reference of the Risk Management Committee are as follows:

- (a) Review of strategic risks arising out of adverse business decisions and lack of responsiveness to changes;
- (b) Review of operational risks;
- (c) Review of financial and reporting risks;
- (d) Review of compliance risks;
- (e) review or discuss the Company's risk philosophy and the quantum of risk, on a broad level, that the Company, as an organization, is willing to accept in pursuit of stakeholder value;
- (f) Review the extent to which management has established effective enterprise risk management at the Company;
- (g) inquiring about existing risk management processes and review the effectiveness of those processes in identifying, assessing and managing the Company's most significant enterprise-wide risk exposures;
- (h) Review the Company's portfolio of risk and consider it against its risk appetite by reviewing the integration of strategy and operational initiatives with enterprise-wide risk exposures to ensure risk exposures are consistent with the overall appetite for risk, and
- (i) Review periodically key risk indicators and management response thereto.

7. Amendments

Any change in the Policy shall be approved by the Board or any of its committees (as may be authorized by the Board in this regard). The Board or any of its authorized committees shall have the right to withdraw and / or amend any part of this Policy or the entire Policy, at any time, as it deems fit, or from time to time, and the decision of the Board or its committee in this respect shall be final and binding.

8. Interpretation

In case of any subsequent changes in the provisions of the aforementioned statutes, the statutes would prevail over the Policy and the provisions in the Policy would be modified in due course to make it consistent with prevailing law. Any subsequent amendment/modification in the Listing Regulations, Act and/or applicable laws in this regard shall automatically apply to this Policy.

9. Conflict of policy

In the event of any conflict between this Policy and the provisions contained in the applicable laws, the provisions of the applicable laws shall prevail.

10. Disclosures

This Policy will be disclosed on the Company's website at www.technocraftventures.com.

For Technocraft Ventures Ltd.


Director