

RISK MANAGEMENT POLICY

BANSAL WIRE INDUSTRIES LIMITED

Bansal Wire Industries Limited (“the BWIL / 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.

The Company’s Risk Management Policy (“the Policy”) outlines the program implemented by the Company to ensure appropriate risk management within its systems and culture.

The Policy is formulated in compliance with Regulation 17(9)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Listing Regulations”) and provisions of the Companies Act, 2013 (“the Act”), which requires the Company to lay down procedures about risk assessment and risk minimization.

OBJECTIVE

This Policy is made with an objective:

- To ensure that all the current and future material risk exposures of the Company are identified, assessed, quantified, appropriately mitigated, minimized and managed i.e. to ensure adequate systems for risk management.
- To establish a framework for the company’s risk management process and to ensure its implementation.
- To enable compliance with appropriate regulations, wherever applicable, by adoption of best practices.
- To assure business growth with financial stability.

POLICY

Our Risk Management approach consists of following:

- **Risk Identification**

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 Risk Management committee shall, on periodic basis, oversee and review the Risk Identification Process adopted by the functional head.

- **Oversight and management**

 **Board of Directors**

The Board of Directors (“the Board”) is responsible for reviewing and ratifying the risk management structure, processes and guidelines which are developed and maintained by Committees and Senior Management. The Committees or Management may also refer particular issues to the Board for final consideration and direction.

 **Risk Management Committee**

The day-to-day oversight 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 Board of Directors on the effectiveness of the risk management program in identifying and addressing material business risks. To achieve this, the Committee is responsible for:

- ❖ managing and monitoring the implementation of action plans developed to address material business risks within the Company and its business units, and regularly reviewing the progress of action plans.
- ❖ setting up internal processes and systems to control the implementation of action plans.
- ❖ regularly monitoring and evaluating the performance of management in managing risk, review of strategic risks arising out of adverse business decisions and lack of responsiveness to changes.
- ❖ review of operational risks.
- ❖ review of financial and reporting risks.
- ❖ review of compliance risks.
- ❖ review of sustainability (particularly ESG related risk).
- ❖ 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.
- ❖ review the extent to which management has established effective enterprise risk management at the Company.
- ❖ 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.
- ❖ review the Company’s portfolio of risk and consider it against its risk appetite by reviewing integration of strategy and operational initiatives with enterprise-wide risk exposures to ensure risk exposures are consistent with overall appetite for risk.
- ❖ review periodically key risk indicators and management response thereto.

- ❖ providing management and employees with the necessary tools and resources to identify and manage risks.
- ❖ regularly reviewing and updating the current list of material business risks.
- ❖ regularly reporting to the Board on the status of material business risks.
- ❖ review and monitor cyber security.
- ❖ ensuring compliance with regulatory requirements and best practices with respect to risk management.

Further, the Company is exposed to commodity risks on a routine basis due to multiple commodities (imported or domestically procured) utilized in its manufacturing operations. Such risks are managed by a detailed and regular review at a senior level of various factors that influence the commodity prices as well as tracking the commodity prices on a daily basis and entering into fixed price contracts with overseas suppliers in order to hedge price volatility.

Senior Management

Senior Management should regularly monitor and evaluate the effectiveness of the action plans and the performance of employees in implementing the action plans, as appropriate. In addition, Senior Management should promote and monitor the culture of risk management within the Company and compliance with the internal risk control systems and processes by employees. Senior Management should report regularly to the Risk Management Committee regarding the status and effectiveness of the risk management program.

Employees

All employees are responsible for implementing, managing and monitoring action plans with respect to material business risks, as appropriate.

• **Review of risk management program**

The Company will regularly evaluate the effectiveness of its risk management program to ensure that its internal control systems and processes are monitored and updated on an ongoing basis. The division of responsibility between the Board, the Committee and the Senior Management aims to ensure the specific responsibilities for risk management are clearly communicated and understood.

The reporting obligation of Senior Management and Committee ensures that the Board is regularly informed of material risk management issues and actions. This is supplemented by the evaluation of the performance of risk management program, the Committee, the Senior Management and employees responsible for its implementation.

Amendment

Any change in the Policy shall be approved by the Board of Directors or any of its Committees, as the case may be. The Board of Directors 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. Any subsequent amendment / modification in the Listing Regulations and / or any other laws in this regard shall automatically apply to this Policy. The Board shall also review the policy at least once every three years and amend it, if required.
