



SORIL Holdings and Ventures Limited

(formerly Indiabulls Wholesale Services Limited)

(CIN: L51101DL2007PLC166209)

Registered Office: M - 62 & 63, First Floor, Connaught Place, New Delhi – 110 001

Tel: 011-30252900, Fax: 011-30252901

Website: www.sorilholdings.com, E-mail: helpdesk@indiabulls.com

RISK MANAGEMENT POLICY

1. Introduction

The Board of Directors of SORIL Holdings and Ventures Limited (formerly Indiabulls Wholesale Services 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.

This Policy will be applicable to the Company effective April 1, 2014.

2. Objective

This policy is framed based on applicable requirements under the provisions of the Companies Act 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and to facilitate setting up a framework for risk assessment and minimization procedures. The objective of Risk Management 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.

3. Definitions

“Audit Committee” means Committee of Board of Directors of the Company.

“Board of Directors” or “Board” in relation to a Company, means the collective body of Directors of the Company. [Section 2(10) of the Companies Act, 2013]

“Policy” means Risk Management Policy.

4. Regulatory framework/ requirement

Risk Management Policy is framed as per the following regulatory requirements:

1. Provisions of the Section 134(3)

There shall be attached to financial statements laid before a company in general meeting, a report by its Board of Directors, which shall include—

- (n) a statement 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.

2. Provisions of the Section 177(4)

Every Audit Committee shall act in accordance with the terms of reference specified in writing by the Board which shall, inter alia, include,—

- (vii) evaluation of internal financial controls and risk management systems.

3. Provisions of sub-regulation 9 of Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

- (b) The board of directors shall be responsible for framing, implementing and monitoring the risk management plan for the listed entity.

5. 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. Environmental, Business, Operational, Financial and others.
- Communication of Risk Management Strategy to various levels of management for effective implementation is 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/ Board 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/ Board through participation of the vertical/functional heads.

The following steps to be taken:

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 including Company assets & Properties and Foreign Currency risks,
- iv. Hazard
- v. Non – Compliance of Statutory enactments
- vi. Employees

Risk Evaluation: After risk analysis, comparison of estimated risks against organization risk is required to make decisions about the significance of risks and whether each specific risk is to be accepted or treated.

Risk Estimation: Can be quantitative, semi quantitative or qualitative in terms of probability of occurrence and possible consequences. Impact level on performance/profit is to be estimated.

Reporting:

First level - Vertical Heads

First Escalation - Audit Committee

Second Escalation - Further Board of Directors

Risk Treatment: The Audit Committee / Board shall critically examine each identified risk for its likely impact and shall treat the Risk through the process of selecting and implementing measures to mitigate risks. Risk treatment includes risk control/ mitigation actions, risk transfer (insurance), risk financing, risk absorption, effective and efficient operations, effective Internal Controls, Compliance with laws and regulations. Risk Treatment shall be applied at all levels through carefully selected validations at each stage to ensure smooth achievement of the objective.

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

This Policy will be communicated to all concerned persons of the Company.
