

SHANTAI INDUSTRIES LIMITED

CIN No: L74110GJ1988PLC013255

RISK MANAGEMENT POLICY

Regd. office: 820, Golden Point, Nr. Telephone Exchange, Begampura, Falsawadi, Ring Road, Surat-395003

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The Company Shantai Industries Limited is required to adhere to the regulations made both by the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosures Requirement) Regulations, 2015 and governed by the Securities and Exchange Board of India (SEBI). Where any stipulation is common between the regulations, more stringent of the two shall be complied with.

The Board of Directors of Shantai Industries Limited has adopted the following policy and procedures with regard to risk management policy; It shall be attached to financial statements laid before a company in general meeting, a report by its Board of Directors, which shall include: 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 as per the provisions of Section 134(3)(n) of Companies Act, 2013.

The purpose of the risk management policy shall be to assist the Board with regard to the identification, evaluation and mitigation of operational, strategic and external environment risks. Pursuant to provisions of Section 177(4) and other applicable provisions of Companies Act, 2013 the Audit Committee has overall responsibility for monitoring and approving the risk policies and associated practices of the Company.

The Board & Audit Committee is responsible for reviewing and approving risk disclosure statements in any public documents or disclosures.

The Board of Directors of Audit Committee and senior executives of the Company shall have free access to management and management information. The members of the Committee at their sole authority, may seek the advice of outside experts or consultants where judged necessary.

The risk management policy will cover the following areas:

1. Assessment of the Company's risk profile and key areas of risk in particular.
2. Recommending to the Board and adopting risk assessment and rating procedures.
3. Examining and determining the sufficiency of the Company's internal processes for reporting on and managing key risk areas.
4. Assessing and recommending to the Board acceptable levels of risk.
5. Development and implementation of a risk management framework and internal control system. On an annual basis, agreeing with the Audit Committee which aspects of the internal audit are non-financial aspects to be monitored. In relation to the non-financial aspects of the internal audit:
 - monitoring the progress of the Company's auditors against the audit plan;

- reviewing all relevant representation letters signed by management;
- discussing the results of the internal audit with the Company's auditors; inquiring if there have been any significant disagreements between management and the Company's auditors; and monitoring management's response to the Company's auditors' recommendations that are adopted.
- Initiating and monitoring special investigations into areas of corporate risk and break-downs in internal control.
- Reviewing the nature and level of insurance coverage.

(This policy is approved and amended by the Board of Directors at their meeting held on 28th May, 2024 and effective from 28th May, 2024)