



## **RISK MANAGEMENT POLICY**

### **ALP NISHIKAWA COMPANY PRIVATE LIMITED**

<b>Approving Authority:</b>	Board of Directors of ALP Nishikawa Company Private Limited
<b>Current Revision Date:</b>	September 30, 2025
<b>Version No.:</b>	Version – 2

## 1. PREAMBLE

Risk management is a critical component of sound corporate governance. It plays a vital role in enhancing governance practices across the organization. A well-defined Risk Management Policy empowers a company to proactively address uncertainties and adapt to changes in both internal and external environments minimizing potential negative impacts while leveraging emerging opportunities.

## 2. OBJECTIVE OF THE POLICY

At ANCO, we recognize that an effective risk management framework is essential for ensuring business continuity, safeguarding shareholder value, strengthening governance, and achieving strategic goals. It also prepares the organization to respond effectively to unforeseen events or adverse circumstances that may arise during the business lifecycle.

Risk management is a core element of our "Corporate Governance Principles and Code of Conduct," reinforcing our commitment to robust governance across all operations. This policy and its associated processes are designed to:

- Proactively manage uncertainty and environmental changes
- Minimize risks and maximize opportunities
- Support the company's growth strategies in a competitive and dynamic environment

To achieve this, effective risk management at ANCO involves:

- **Risk Identification** – Recognizing potential threats and vulnerabilities
- **Risk Assessment** – Measuring and evaluating risks within internal processes
- **Risk Mitigation** – Implementing controls to manage and reduce risks
- **Monitoring and Review** – Continuously tracking risk exposure and mitigation effectiveness
- **Strategic Alignment** – Ensuring risk management supports long-term objectives
- **Proactive Planning** – Anticipating and preparing for adverse scenarios

## 3. LEGAL FRAMEWORK

In accordance with **Section 134(3)(n)** of the Companies Act, 2013, the Board of Directors is required to include in its Board's Report a statement on the development and implementation of a risk management policy, including identification of risks that may threaten the company's existence.

Additionally, **Section 177(4)(vii)** of the Act mandates the Audit Committee to evaluate the company's risk management systems.

To ensure effective oversight, the Board shall constitute a **Risk Management Committee**, defining its roles and responsibilities. The Committee may be

entrusted with monitoring and reviewing the risk management plan and performing other functions as deemed appropriate. The Committee will report its findings and recommendations to the Board on a periodic basis.

#### **4. PURPOSE AND SCOPE OF THE POLICY**

The main objective of this policy is to ensure sustainable business growth with stability and to promote a pro-active approach in reporting, evaluating and resolving risks associated with the business. In order to achieve the key objective, the policy establishes a structured and disciplined approach to Risk Management, in order to guide decisions on risk related issues. The specific objectives of the Risk Management Policy are:

- To ensure that all 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, through the adoption of best practices.
- To assure business growth with financial stability.

#### **5. ROLE OF THE BOARD:**

The Board will undertake the following actions to ensure risk is managed appropriately:

- The Board shall be responsible for framing, implementing and monitoring the risk management plan for the Company.
- The Board shall define the roles and responsibilities of the Risk Management Committee and may delegate monitoring and reviewing of the risk management plan to the Committee and such other functions as it may deem fit.
- Ensure that the appropriate systems for risk management are in place.
- The Independent Directors shall help in bringing an independent judgment to bear on the Board's deliberations on issues of risk management and satisfy themselves that the systems of risk management are robust and defensible;
- Participate in major decisions affecting the organization's risk profile;
- Have an awareness of and continually monitor the management of strategic risks;

- Be satisfied that processes and controls are in place for managing less significant risks;
- Be satisfied that an appropriate accountability framework is working whereby any delegation of risk is documented and performance can be monitored accordingly;
- Ensure risk management is integrated into Board reporting and annual reporting mechanisms;
- Convene any Board-committees that are deemed necessary to ensure risk is adequately managed and resolved where possible.

#### **6. ROLE OF THE BOARD COMMITTEE:**

- Risk Assessment and Minimization report shall be reviewed periodically by the Audit Committee, if applicable, and Risk Management Committee.
- The Audit Committee, if applicable, and Risk Management Committee shall evaluate and ensure internal risk management process in the Company.
- Risk assessment and information shall be communicated to the concerned risk owners on immediate basis.
- Shall take any steps required to mitigate the potential Risk

#### **7. POLICY STATEMENT:**

The Company is committed to develop an integrated Risk Management Framework:

- a. To achieve the strategic objective while ensuring appropriate management of risks.
- b. To ensure the protection of the stakeholder's value.
- c. To provide a clear & strong basis for informed decision making at all levels of the Company.
- d. To strive towards strengthening the Risk Management system through continuous learning & improvement. Every employee of the Company is recognized as having a role in risk management for identification of risk to treatment and shall be invited & encouraged to participate in the process. The Audit Committee & the Board will review the Policy & procedures periodically.

#### **8. RISK FACTORS:**

Business Risk is a threat that an event or action will affect an enterprise's ability to maximize shareholder value and to achieve its business objectives. The objectives of the Company are subject to both external and internal Risks. The Risks can be broadly classified into:

**Strategic Risk:**

- Market Strategy
- Political Environment
- Organizational Growth- Market Penetration, Market Share, Loss of reputation
- Globalization and Technological Obsolescence
- Inflation and Cost structure
- Volatility in Commodity Market
- Loss of Intellectual property and Trade secret
- Uncertainty surrounding political leadership in Domestic and International markets
- Economic condition of the market, Global recession and Environmental Issues
- Legal
- Competition
- Global Health Challenges/Pandemic

**Operational Risk:**

- Consistent Revenue Growth
- Cost Optimization
- Manpower retention
- Disaster Management and Data Security
- Working capital Management
- Inventory
- Contractual Compliance
- Quality Assurance
- Health & Safety Environmental

**Compliance Risks** - Law framed by Government of India, State Government, Reserve Bank of India and other local bodies.

Ensure stricter adherence to laws / rules / Regulations/standards, Adherence of Company Policies and Procedure, Maintaining high standards of Corporate Governance and Public disclosures.

**Financial Risks:**

Volatility in Currency, Foreign Exchange, interest, Funding & Credit Risk, sustaining effective financial relationships with customers and third parties.

Other than above, any other risk factor as may be assessed by the Risk Management Committee and/or Board as and when required.

## **9. CONSTITUTION OF RISK MANAGEMENT COMMITTEE:**

The Risk Management Committee shall be constituted by the Company consisting minimum three members with majority of them being members of the Board of Directors. The Board shall define the roles & responsibilities of the Risk Management Committee & may delegate monitoring & reviewing of the risk management plan to the Committee & such other functions as it may deem fit.

In line with the above requirement, the Board at the Board meeting held on September 30, 2025 constituted Risk Management Committee to identify and assess key risks and formulate strategies for mitigation of risks identified in consultation with the Board. The members of the committee are as below:

- Mr. Iqbal Singh Aanand
- Mr. Pawandeep Singh Anand
- Mr. Tejbir Singh Anand
- Mr. Kovid Kampani
- Mr. Devinder Singh Saini

## **10. IDENTIFICATION AND RISK ANALYSIS:**

Generally every staff member of the Company is responsible for the effective management of Risk including the identification of potential Risks. Management is responsible for the development of Risk mitigation plans and the implementation of Risk mitigation strategies. Risk management processes should be integrated with other planning processes and management activities.

The "Risk Owners" shall be individual business process owners or business heads taking ownership for the control effectiveness, mitigation plan and will be responsible for the actual management of Risk. Their main roles and responsibilities include:

- (i) Identify Risks by participating in meetings and workshops
- (ii) develop initial level of controls & implement the controls/mitigation plan for both Operational & Functional Risks
- (iii) Reporting to the Risk Management Committee and ensure completeness and accuracy of such information on a half yearly basis.

## **11. COMPLIANCE AND CONTROL:**

All the Senior Executives under the guidance of the Chairman and Board of Directors has the responsibility for over viewing management's processes and results in identifying, assessing and monitoring risk associated with Organisation's business operations and the implementation and maintenance of policies and control procedures to give adequate protection against key risk. In doing so, the Senior Executive considers and assesses the appropriateness and effectiveness of management information and other systems of internal control, encompassing review of any external agency in this regards and action taken or proposed resulting from those reports.

**12. APPLICATION:**

This policy applies to all areas of the Company's operations.

**13. POLICY REVIEW:**

This Policy shall evolve by review by the Risk Management Committee and the Board from time to time as may be necessary. This Policy will be communicated to all vertical/functional heads and other concerned persons of the Company. The Policy shall be reviewed as and when required, at least once in two years, including by considering the changing industry dynamics and evolving complexity. This Policy may be amended or substituted by the Board as and when required and also by the Managing Director / Compliance Officer where there are any statutory changes necessitating the change in the Policy.

However, no such amendment or modification will be binding on the Directors and employees unless the same is communicated in the manner described as above.

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<b>Prepared By:</b>	<b>Reviewed By:</b>	<b>Approved By:</b>
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<b>Company Secretary</b>	<b>Head – F &amp; A</b>	<b>Managing Director</b>

