

NITYAS GEMS AND JEWELLERY LIMITED
**(Formerly known as Nityas Gems and
Jewellery Private Limited)**
CIN NO: U36996GJ2022PLC131404

RISK MANAGEMENT POLICY

1. PREAMBLE

The Company **NITYAS GEMS AND JEWELLERY LIMITED** is required to adhere Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the listing of the Company. Where any stipulation is common between the regulations, more stringent of the two shall be complied with.

Risk is inherent in all administrative and business activities. Risks are such events or the conditions that has a harmful or negative impact on the organizational goal or its business objectives. The exposure to the consequences of uncertainty constitutes a risk. Every member of the Organisation continuously manages risk. The systematic approaches to managing risk have evolved and are now regarded as good management practice. The objective of this policy is to manage the risks involved in all sphere of the activities of the Company to maximize opportunities and minimize the adversity.

Effective risk management requires:

- A strategic focus,
- Forward thinking and active approaches to management,
- Balance between the cost of managing risk and the anticipated benefits, and
- Contingency planning in the event that mission critical threats are realised.

2. KEY DEFINITIONS

RISK

The chance of something happening that will have an adverse impact on the achievement of the Organisation's objectives. Risk is measured in terms of consequences and likelihood.

RISK ASSESSMENT

The systematic process of identifying and analysing risks, which shall cover Risk Identification and Categorization, Risk Description and Risk Estimation.

RISK MANAGEMENT

Risk Management is the process of systematically identifying, quantifying, and managing all risks and opportunities that can affect achievement of a corporation's strategic and financial goals.

RISK MANAGEMENT PROCESS

the systematic application of management policies, procedures and practices to the tasks of establishing the context, identifying, analysing, evaluating, treating, monitoring and communicating risk.

3. RISK FACTORS

The objectives of the Company are subject to risks that are external and internal as enumerated below:

a) External Risk Factors

- Economic Environment and Market conditions
- Fluctuations in Foreign Exchange
- Political Environment
- Competition
- Revenue Concentration
- Inflation and Cost structure
- Technology Obsolescence

b) Internal Risk Factors

- Financial Reporting Risks
- Contractual Compliance
- Compliance with Local laws
- Quality and Project Management
- Environmental Management
- Human Resource Management
- Culture and values

4. RISK MANAGEMENT POLICY

The policy outlines the following guiding principles of Risk Management:

1. Assessment of the Company's risk profile and key areas of risk in particular.
2. All business decisions will be made with the prior information and acceptance of risk involved.
3. The Risk Management Policy shall provide for the enhancement and protection of business value from uncertainties and consequent losses.
4. Recommending to the Board and adopting risk assessment and rating procedures.
5. All employees of the company shall be made aware of risks in their respective domains and their mitigation measures.
6. The risk mitigation measures adopted by the company shall be effective in the long-term and to the extent possible be embedded in the business processes of the company.
7. Risk tolerance levels will be regularly reviewed and decided upon depending on the change in company's strategy.
8. The occurrence, progress and status of all risks will be promptly reported and appropriate actions be taken thereof.
9. Initiating and monitoring special investigations into areas of corporate risk and breakdowns in internal control.
10. Reviewing the nature and level of insurance coverage.

5. RISK STRATEGY OR MITIGATION OF RISK POLICY

Based on the Risk level determined and reviewed from time to time, the company should formulate its Risk Management Strategy. The strategy will broadly entail choosing among the various options for risk mitigation for each identified risk. The risk mitigation can be planned using the following key strategies:

a. Risk Avoidance:

By not performing an activity that could carry risk. Avoidance may seem the answer to all risks, but avoiding risks also means losing out on the potential gain that accepting (retaining) the risk may have allowed.

b. Risk Transfer:

Mitigation by having another party to accept the risk, either partial or total, typically by contract or by hedging.

c. Risk Reduction:

Employing methods/solutions that reduce the severity of the loss.

d. Risk Retention:

Accepting the loss when it occurs. Risk retention is a viable strategy for small risks where the cost of insuring against the risk would be greater over the time than the total losses sustained. All risks that are not avoided or transferred are retained by default. This includes risks that are so large or catastrophic that they either cannot be insured against or the premiums would be infeasible.

For those risks where significant gaps have been identified, leadership teams must perform regular reviews and ensure risks are mitigated as desired. All project leaders of transformational projects must, together with their teams, identify the key risks associated with their project achieving its objectives. Risk mitigation plans must be prepared and progress reviewed with the project steering group.

6. ROLES AND ACCOUNTABILITIES IN RISK MANAGEMENT

• **The Board of Directors**

The Board shall be responsible for framing, implementing and monitoring the risk management plan for the Company and critically review the risk governance and monitoring mechanism.

• **Project in Charge / Business Unit Head**

Business Unit Heads shall have the prime responsibility for the management of risk in their business unit. They shall ensure all the contractual obligation, deviation from them may result in serious risk on the respective project and overall profitability of the Organisation. This includes the identification of risks and actions that mitigate these risks while supporting the business to achieve its objectives.

- **Senior Executives**

Senior Executives are accountable for strategic risk management within areas under their control including the devolution of the risk management process to operational managers. Collectively the Senior Executives shall be responsible for:

- Implementation of this policy within their respective areas of responsibility;
- The formal identification of strategic risks that impact upon the organizational goal;
- Allocation of priorities;
- The development of strategic risk management plans; and
- Ensuring compliance with risk assessment procedures

7. DISCLOSURE

- a. This Policy is framed based on the provisions of the Listing Regulations.
- b. In case of any subsequent changes in the provisions of Listing Regulations or any other applicable law which make the provisions in the Policy inconsistent with the Listing Regulations or any other applicable law, the provisions of the Listing Regulations and such law shall prevail over the Policy and the provisions in the Policy shall be modified in due course to make it consistent with the law.

8. REVIEW

This policy shall be reviewed from time to time so that the policy remains compliant with applicable legal requirements. The Board of Directors of the Company, subject to applicable laws, is entitled to amend, suspend or rescind this Policy at any time in line with the Listing Regulations. In case of any conflict between this policy and Act, Rules or Regulations or any other law as may be applicable such law shall prevail.

The updated policy shall be continuously hosted on the website of the company.
