

# **SC AGROTECH LIMITED**

## **RISK MANAGEMENT POLICY**

Applies to	SC AGROTECH LIMITED
Modified Date	March 07, 2026
Issuing Authority	Board of Directors of the Company
Content Owner	Secretarial

**SC AGROTECH LIMITED**  
**MANAGEMENT POLICY**

**1. Introduction**

SC AGROTECH LIMITED ('the Company') has adopted this Policy, upon the recommendation of the Board and the said Policy is in compliance with the requirements of Section 134, Section 177 and Schedule IV of the Companies Act, 2013 and rules there-under('the Act').

**2. Definition & Interpretation:**

- 2.1. Audit Committee - "Audit Committee or Committee" means the Audit Committee of the Board constituted under the provisions of Section 177 of the Act.
- 2.2. Board - "Board" means the Board of Directors of the Company as defined under the Act.
- 2.3. Policy - "Policy or this Policy" means Policy on Risk management  
Words and expressions used and not defined in the Policy shall have the same meanings as assigned to them in the Act.

**3. Objective**

This Policy has been designed to lay down a framework for Risk assessment and risk minimization procedures. Risk management policy and processes will enable the company to proactively manage uncertainty and changes in the internal and external environment which will limit negative impacts and optimize business performance, promote confidence amongst various stakeholders and meet the overall growth objective.

**4. Background**

Every corporate house shall be subject to various risks which can be internal and external. The intention of this policy is to formalize the Risk management policy, which shall:

- a) 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.
- b) To establish a framework for the company's risk management process and to ensure its implementation.
- c) To enable compliance with appropriate regulations, wherever applicable, through the adoption of best practices.
- d) To assure business growth with financial stability.

The requirement of the Risk management policy has stemmed from the Companies Act 2013 which are summarized as follows:

- a) 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— 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.

b) Provisions of 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 Evaluation of internal financial controls and risk management systems.

c) Schedule IV [Section 149(8)] - Code for Independent Directors Role and functions: The independent directors shall: (1) help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct; (2) satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible.

## 5. Identification of Risks

In order to identify risks, the company defines risks and prepares its risk profile based on the overall business strategy and growth. The company at present identifies the following key material internal and external risks

- Human resource risk
- Regulatory risk in terms of government policies and changes in laws including tax laws
- Competition risk
- Financial/Leverage risk
- Interest rate risk
- Project implementation risks like modification in terms of an already assigned project, delay in collection of receivables from projects, default made by subcontractors, litigations relating to projects, disagreements with joint ventures where a joint venture is key to a project, Inability to tie up with strategic partners wherever required, Delay or inability to obtain certain key licenses to operate a project etc.
- Compliance Risk
- Inadequate Insurance risk
- Performance risk
- Legal risks
- Inflation risk
- Joint venture risks
- Supply- chain mismatch risk
- Strategic acquisition risks
- Natural calamity risk
- Technical obsolescence risk
- Infringement risk
- Title risk to Land Bank
- Political and Economic risk
- Risk management System

To monitor and manage the risks, the company needs to have a system-based approach which is

already inherent in the company's operation, which is backed by a stringent internal control system.

The strong internal audit functions to ensure effective addressal of the key business risks.

Risks are also required to be managed on a process based system where, each function shall ensure that there are adequate controls in place, process wise, to manage the risk of the respective process e.g.- Human resources/treasury as a function shall ensure that there are appropriate controls in place to mitigate the material risks of Human resource/financial/funding/interest rate risk.

## 6. **Conclusion**

The policy shall be amended as required from time to time in case of any changes in the Act and the rules made there-under.

.....