



NOVA AGRITECH LIMITED

Risk Management Policy

INTRODUCTION

Nova Agritech Limited ("the Company") has systematic way of protecting business resources and income against losses so that the objectives of the Company can be achieved without unnecessary interruption. This document is intended to formalize a risk management policy, the objective of which shall be identification, evaluation, monitoring and minimization of identifiable risks. Risk assessment is a tool for conducting a formal examination of the harm or hazard to people. The Board of Directors of the the Company and the Audit Committee shall periodically review and evaluate the risk management system of the Company so that the management controls the risks through properly defined network. Head of Departments of the Company will be responsible for implementation of the risk management system as may be applicable to their respective areas of functioning and report to the Board and Audit Committee.

OBJECTIVE OF THE POLICY

- (a) The main objective of this policy framed by the company is to ensure –
- (i) Sustainable business growth with stability
 - (ii) To promote a pro-active approach in reporting, evaluating and
 - (iii) 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
 - (iv) To establish a framework for the company's risk management process and to ensure its implementation.
 - (v) To enable compliance with appropriate regulations, wherever applicable, through the adoption of best practices.
 - (vi) To assure business growth with financial stability
- (b) This policy of the Company is framed to set up a framework for risk assessment and minimization procedures.

(c) In line with the Company's objective towards increasing stakeholder value, a risk management policy has been framed, which attempts to identify the key events / risks impacting the business objectives of the Company and attempts to develop risk policies and strategies to ensure timely evaluation, reporting and monitoring of key business risks.

(d) Our risk management approach is composed primarily of three components:

- Risk Governance:

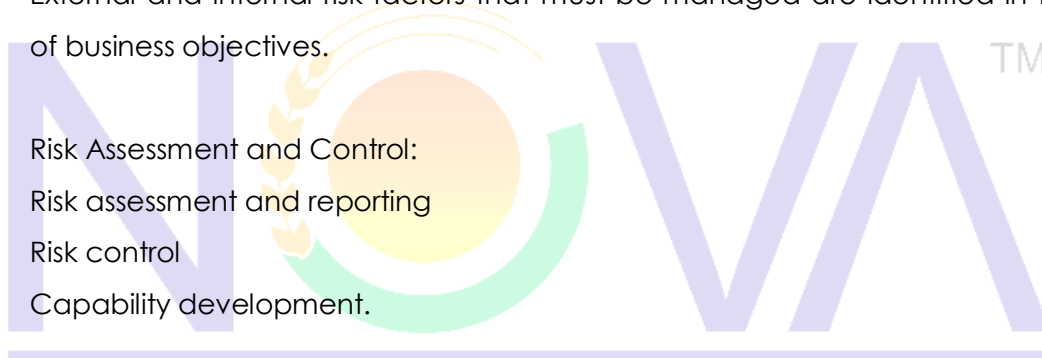
The functional heads of the Company are responsible for managing risk on various parameters and ensure implementation of appropriate risk mitigation measures. • The Risk Management Committee provides oversight and reviews the risk management policy from time to time.

- Risk Identification:

External and internal risk factors that must be managed are identified in the context of business objectives.

- Risk Assessment and Control:

Risk assessment and reporting
Risk control
Capability development.



(e) On a periodic basis risk, external and internal risk factors are assessed by responsible managers across the organization. The risks are identified and formally reported through mechanisms such as operation reviews and committee meetings. Internal control is exercised through policies and systems to ensure timely availability of information that facilitate pro-active risk management. Examples of certain of these identified risks are as follows:

- Broad market trends and other factors beyond the Company's control significantly reducing demand
- for its services and harming its business, financial condition and results of operations
- Failure in implementing its current and future strategic plans
- Significant and rapid technological change
- Damage to its reputation

- Its products losing market appeal and the Company not being able to expand into new product lines
- or attracting new types of investors
 - Its risk management methods and insurance policies not being effective or adequate
 - Fluctuations in trading activities
 - Changes in interest rates
 - Changes in government policies
 - Security risks and cyber-attacks
 - Insufficient systems capacity and system failures.

DEFINITIONS

(a) In this Policy unless the context otherwise requires:

- (i) Risk Assessment – The systematic process of identifying and analyzing risks. Risk Assessment consists of a detailed study of threats and vulnerability and resultant exposure to various risks.
- (ii) Risk Management – The systematic way of protecting business resources and income against losses so that the objectives of the Company can be achieved without unnecessary interruption.
- (iii) Risk Management Process - The systematic application of management policies, procedures and practices to the tasks of establishing the context, identifying, analyzing, evaluating, treating, monitoring and communicating risk.

(b) In principle, risk always result as consequences of activities or as a consequence of non activities. Risk Management and Risk Monitoring are important in recognizing and controlling risks. The below paragraphs embrace Company's risk identification and mitigation strategies like risk control, avoidance, etc.

PERIODIC AUDIT

Audits provide a disciplined documentation process that continually measures operational reality against stated policies and standards. Compliance to regulatory requirement.

TRAINING MANAGEMENT

To ensure effectiveness, Learning & improvement included in raining programs that get everyone within organization/system on the same page. Our training programs provided through various media. A detailed training is provided to the all the staff, ATM Custodian and Banking Operator.

CONSTITUTION OF RISK MANAGEMENT COMMITTEE

The Company has constituted a Risk Management Committee with majority of Members of the Board of Directors, with the overall responsibility of overseeing and reviewing risk management across the Company. The terms of reference of the Risk Management Committee are as follows:

- review of strategic risks arising out of adverse business decisions and lack of responsiveness to changes;
- review of operational risks;
- review of financial and reporting risks;
- review of compliance risks;
- review or discuss the Company's risk philosophy and the quantum of risk, on a broad level that the Company, as an organization, is willing to accept in pursuit of stakeholder value;
- review the extent to which management has established effective enterprise risk management at the Company;
- inquiring about existing risk management processes and review the effectiveness of those processes in identifying, assessing and managing the Company's most significant enterprise-wide risk exposures;
- review the Company's portfolio of risk and consider it against it's risk appetite by reviewing integration of strategy and operational initiatives with enterprise-wide risk exposures to ensure risk exposures are consistent with overall appetite for risk; and
- review periodically key risk indicators and management response thereto.

AUTHORITY

The Committee shall have free access to management and management information. The Committee, at its sole authority, may seek the advice of outside experts or consultants where judged necessary.

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 ensure that the SOPs of all departments & verticals are prepared as per best global practices and are compliant with ESG parameters and UN SDG goals and are free from any business or legal risks.
- 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.

RISK MANAGEMENT COMMITTEE

The Company has a committee of the Board, namely, the Risk Management Committee, which is constituted with the overall responsibility of overseeing and reviewing risk management across the Company.

Current Composition:

S. No.	Name of the Director	Designation	Position in the Committee
1	Mr. Kiran Kumar Atukuri	Managing Director	Chairman
2	Mr. Adabala Seshagiri Rao	Chairperson & Independent Director	Member
3	Mr. Ramesh Babu Nemani	Non-Executive Independent Director	Member

[Constituted on February 27, 2023]

The terms of reference of the Risk Management Committee was approved by a Board Resolution dated 27 February 2023.

The Risk Management Committee was constituted by a resolution of our Board dated February 27, 2023. The scope and function of the Risk Management Committee is in accordance with Section 177 of the Companies Act, Rule 6 of the Companies (Meeting of Board and its Powers) Rules, 2014 and Regulation 18 of the SEBI Listing Regulations.

The powers, roles, responsibilities and terms of reference of the Audit Committee shall include the following:

1. To formulate a detailed risk management policy which shall include:
 - a. A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, environmental social and governance related risks), information, cyber security risks or any other risk as may be determined by the Committee.
 - b. Measures for risk mitigation including systems and processes for internal control of identified risks.
 - c. Business continuity plan.

2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
3. To co-ordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per framework laid down by the board of directors;
4. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
5. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
6. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
7. To approve major decisions affecting the risk profile or exposure and give appropriate directions;
8. To consider the effectiveness of decision-making process in crisis and emergency situations;
9. To balance risks and opportunities;
10. To generally, assist the Board in the execution of its responsibility for the governance of risk;
11. To seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary;
12. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee; and
13. Any other similar or other functions as may be laid down by Board from time to time and/or as may be required under applicable law, as and when amended from time to time, including the SEBI Listing regulations.

The quorum of the Risk Management Committee is either two members or one-third of the members of the Risk Management Committee, whichever is higher, including at least one member of the Board of Directors, being in attendance.

The Risk Management Committee is required to meet at least twice in a year and not more than 180 days may elapse between the two meetings.

The Risk Management Committee has powers to seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.

AMENDMENT

The Board (including its duly constituted committees wherever permissible), shall have the power to amend any of the provisions of this Policy, substitute any of the provisions with a new provision or replace this Policy entirely with a new Policy. This Policy shall automatically stand amended to reflect any changes to the SEBI Regulations or Companies Act, 2013, to the extent the same is the subject matter of this Policy.

[This Policy is approved and adopted by the Board of Directors in their meeting held on February 27, 2023]

