JOHNSONCAB ELECTRICALS LIMITED

RISK MANAGEMENT POLICY

RISK MANAGEMENT PLAN & POLICY

1. Legal Framework:

According to Regulation 17(9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the listed entity shall lay down procedures to inform members of board of directors about risk assessment and minimization procedures and the board of directors shall be responsible for framing, implementing and monitoring the risk management plan for the listed entity.

2. Objective and Purpose:

Risk management could be defined as the process of identifying and measuring uncertain events which may affect resources or operations of the Company adversely and, accordingly, taking necessary safeguards against any potential damage or loss. Risk Management is a key aspect of Corporate Governance Principles which aims to improvise the governance practices across the Company's activities. Risk management policy and processes will enable the Company to proactively manage uncertainty and changes in the internal and external environment to limit negative impacts and capitalize on opportunities.

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 of Johnsoncab Electricals Limited ("Company"). 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.

Risk can relate to various areas of business and operations which, inter alia, include company's assets and property, employees, foreign currency risks, operational risks, non-compliance with statutory enactments, competition risks, contractual risks and such other risk which are associated with the routine business of the Company.

The specific objectives of the Risk Management Policy are:

i. To ensure that all the current and future material risk exposures of the Company are identified, assessed, measured, quantified, appropriately mitigated, minimized and managed i.e. to ensure adequate systems for risk management.
ii. To establish a framework for the Company's risk management process and to ensure its implementation.
iii. To enable compliance with appropriate laws & regulations, wherever applicable, through the adoption of best practices.
iv. To assure business growth with financial stability.

3. Implementation:

The Board of Directors of the Company and the Audit Committee shall periodically review and evaluate the risk management system of the Company, as and when required, so that the management controls the risks through properly defined network.

However, the decision-making powers is vested to the Board of Directors, but respective heads of all departments shall also be responsible for implementation of the risk management system as may be applicable to their respective areas of functioning and to report the same to the Board and Audit Committee, wherever required.

4. Constitution of Risk Management Committee:

According to Regulation 21(5) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the provision for constituting Risk Management Committee is applicable to top 1000 listed entities, determined on the basis of market capitalisation, as at the end of the immediate previous financial year and high value debt listed entity.

Further, the Company does not fall under these criteria and hence, there is no need of constituting Risk Management Committee.

Hence, all the related matters will be considered by the Board of Directors and Audit Committee of the Company.

5. Role of the Board:

The Board shall undertake following actions to manage risk appropriately:

- The Board shall be responsible for framing, implementing and monitoring the risk management plan/policy for the Company.
- Ensure that the appropriate systems for risk management are in place.
- 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 awareness of & continually monitor the management of strategic risks.
- Be satisfied that processes and controls are in place for managing less significant risks.
- Be satisfied that appropriate accountability framework is working whereby any delegation of risk is documented & performance can be monitored accordingly.
- Ensure risk management is integrated into Board reporting and annual reporting mechanisms.

6. Policy Review:

This Policy shall be subject to review as may be deemed necessary and in accordance with any regulatory amendments.