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**RISK MANAGEMENT POLICY**

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**1. PREAMBLE**

Risk is a fundamental and inherent part of any business activity. Risk Management helps management in achieving the company's performance and profitability targets. Risk management should be undertaken as a part of normal business practices and not as a separate task at set times. The board of directors of Shrem Infra Invest Private Limited has adopted the following Risk Management policy (the "Policy") for ensuring appropriate risk management within its systems.

The main objective of this Risk Management Policy ("**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, including the development of the Risk Register, in order to guide decisions on risk evaluating & mitigation related issues. The Policy is in accordance with the 17(9) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**2. DEFINITIONS**

"**Risk**" means a probability or threat of damage, injury, liability, loss, or any other negative occurrence that may be caused by internal or external vulnerabilities; that may or may not be avoidable by pre-emptive action.

"**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 Committee**" means the risk management committee formed by the Board.

"**Risk Assessment**" means the overall process of risk analysis and evaluation.

"**Risk Register**" means a tool for recording the Risks identified under various operations. '

"**Board shall**" mean the Board of Directors of the Shrem Infra Invest Private Limited.

**3. APPLICABILITY:**

The policy is applicable to all areas where company's activities are operating.

**4. RISK MANAGEMENT**

Principles of Risk Management

(a) The Risk Management shall provide reasonable assurance in protection of business value of the Company from uncertainties and consequent losses.

(b) All concerned process owners of the Investment Manager shall be responsible for identifying & mitigating key Risks in their respective domain.

## **5. RISK MANAGEMENT COMMITTEE:**

The board shall constitute Risk Management Committee of the Company, consisting of Minimum three members with majority of being members of board of Directors, including at least one independent director as the Company thinks fit. And the Chairman of the committee shall be a member of the board of the Directors and Senior executives of the company.

The Risk Management Committee shall meet at least twice in the year. And the gap between the two consecutive meetings shall not exceed one hundred and eighty days. The quorum for a meeting of the Risk Management Committee shall be either two members or one third of the members of the committee, whichever is higher, including at least one member of the board of directors in attendance.

The Board shall define the roles & responsibilities of the Risk Management Committee & may delegate monitoring & reviewing of the risk management plan to the committee and such other functions as it may deem fit and such function shall specifically cover cyber security. The Risk Management Committee shall have 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.

## **6. RISK MANAGEMENT PROCEDURES**

Risk management process includes four activities: Risk identification, Risk Assessment, Risk mitigation and monitoring and reporting.

### **I. Risk Identification**

The purpose of Risk identification is to identify internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, environment, social and governance related risks), information, cyber security risks or any other risk as may be determined by the Risk Management Committee and identify all other events that can have an adverse impact on the achievement of the business objectives. All Risks identified are documented in the form of a Risk Register. The Risk Register incorporates risk description, category, classification, mitigation plan, responsible function / department.

### **II. Risk Assessment**

Assessment involves quantification of the impact of Risks to determine potential severity and probability of occurrence. Each identified Risk is assessed on two factors which determine the Risk exposure:

A. Impact if the event occurs

B. Likelihood of event occurrence

- **Risk Categories**

It is necessary that Risks are assessed after taking into account the existing controls, so as to ascertain the current level of Risk. Based on the above assessments, each of the Risks can be categorized as – low, medium and high.

### **III. Risk Mitigation**

The following framework shall be used for implementation of Risk mitigation:

All identified Risks should be mitigated using any of the following Risk mitigation plans:

- 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 / insurance.
- c) Risk reduction: Employing methods/solutions that reduce the severity of the loss e.g. having adequate softwares in place to prevent data leaks.
- 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 than the total losses sustained. All Risks that are not avoided or transferred are retained by default.

## **7. RISK REGISTER**

Risk Registers shall be maintained by the Company showing the risks identified, treatment prescribed, persons responsible for applying treatment, status after the treatment etc. Risk manager's / Risk officers to be identified for proper maintenance of the risk registers which will facilitate reporting of the effectiveness of the risk treatment to the Risk management committee, audit committee and the Board.

## **8. RISK OVERSIGHT**

### **-Board of Directors:**

The Board shall be responsible for defining the risk management strategy and objectives, overseeing the implementation of the risk management process and setting the tone and culture towards effective risk management. The board shall define the risk management policy and critically review the risk governance and monitoring mechanism.

**-Audit Committee:**

Audit Committee shall be entrusted with the responsibility of periodic evaluation of risk management program and provide insight and direction to the risk management committee. The audit committee would have an oversight of the management of Operational and Financial Risks faced by the Company.

**9. ASSESSMENT OF EFFECTIVENESS**

The Risk Management Committee is responsible for reviewing and analyzing the effectiveness of the Risk Management framework and the Risk Management systems and shall report the same to the Board.

**10. COMMUNICATION OF THIS POLICY**

This Policy shall be posted on the website of the Company.

**11. REVIEW OF THIS POLICY**

This Policy shall be reviewed by the Risk Management Committee periodically, at least once in two years, including by considering the changing industry dynamics and evolving complexity.

**12. CONFLICT WITH APPLICABLE LAW**

The Policy shall not contradict with the provisions of any applicable law. In case of any discrepancy, the provisions of applicable law shall prevail over the provisions of this Policy.

**13. AMENDMENT**

The Company may amend the Policy as and when it deems necessary either pursuant to any change in law or otherwise.

Adopted by the board of directors of Shrem Infra Invest Private Limited on March 15, 2024.

**For Shrem Infra Invest Private Limited**

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**Nitan Chhatwal**  
**Director**  
**DIN: 00115575**