



LONGVIEW TEA CO. LTD.

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Risk Management Policy

Background

This policy lays down the framework of Risk Management at Longview Tea Company Limited (“the Company”). ‘Risk Management’ is the identification, assessment, and prioritization of risks followed by coordinated and economical application of resources to minimize, monitor, and control the probability and/or impact of uncertain events or to maximize the realisation of opportunities. It seeks to identify risks inherent in any business operations of the Company and lays down the mitigation methods which are periodically reviewed and modified in a manner commensurate with the size and complexity of the business.

Legal Framework

Risk Management is a key aspect of Corporate Governance Principles and Code of Conduct which aims to improvise the governance practices across the business activities of any organisation.

The provisions of Section 134(3)(n) of the Companies Act, 2013 necessitate that the Board’s Report should contain 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.

Further, the provisions of Section 177(4)(vii) of the Companies Act, 2013 require that 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 risk management systems.

In line with the above, it is therefore, required for the Company to frame and adopt a “Risk Management Policy” of the Company.

Objective and Purpose

The main objective of this policy is to ensure sustainable business growth with stability and to preserve shareholder value to the extent practically feasible by identifying and mitigating major operating, and external business risk. 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

The specific objectives of this policy are:

1. To ensure that all the current and future material risk exposures of the Company are identified, assessed quantified, mitigated, minimized and managed i.e. to ensure adequate systems for risk management.
2. To establish a framework for Company’s risk management process and to ensure its implementation.
3. To enable compliance with appropriate regulations, wherever applicable through the adoption of best practices.

4. To assure business growth with financial stability.

Compliance & Control

The Board of Directors of 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 shall 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.

APPLICATION

This policy applies to all areas of the Company's operations

ROLE OF THE BOARD

The Board will undertake the following actions to ensure risk is managed appropriately:

1. The Board shall be responsible for framing, implementing and monitoring the risk management plan for the company.
2. The Board may delegate monitoring and reviewing of the risk management plan to the Committee and such other functions as it may deem fit.
3. Ensure that the appropriate systems for risk management are in place.
4. 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;
5. Participate in major decisions affecting the organization's risk profile;
6. Have an awareness of and continually monitor the management of strategic risks;
7. Be satisfied that processes and controls are in place for managing less significant risks;
8. Be satisfied that an appropriate accountability framework is working whereby any delegation of risk is documented and performance can be monitored accordingly;
9. Ensure risk management is integrated into board reporting and annual reporting mechanisms;
10. Convene any board-committees that are deemed necessary to ensure risk is adequately managed and resolved where possible.

REVIEW

This policy shall be reviewed at least every year to ensure it meets the requirements of legislation & the needs of organization.