



**GLOBUS SPIRITS LIMITED**

***RISK MANAGEMENT POLICY***

***PLAN & PROCEDURES***

[www.globusspirits.com](http://www.globusspirits.com)

## **ORIGIN & OBJECTIVE**

Risk may be defined as a chance or possibility of danger, loss, injury or any other such consequences. There cannot be an organization which is fully immune to any kind of risk. Likewise, **GLOBUS SPIRITS LIMITED** is also exposed to different kinds of risks. Hence the objective of this policy is to ensure that risks to the Company are identified, analyzed, and managed so that they can be maintained at acceptable levels.

This Risk Management Policy is in compliance with the Clause 49(VI) of the Listing Agreement as amended vide Circular CIR/CFD/POLICY CELL/7/2014 dated September 15, 2014 effective since October 01, 2014.

## **SCOPE**

This policy focuses on the risks to the smooth operations of the Company, confidentiality, integrity, and availability of information, assets or any other such aspect of the Company. The policy shall be applicable on all the areas of the Company.

## **TYPES OF RISK**

**GLOBUS SPIRITS LIMITED** is prone to following kinds of Risks as classified by the Board of Directors:

### **Internal Risks**

1. Constraint in the availability of raw material.
2. Rise in input costs may affect the profitability of the company.

3. Change in technology and trends in the industry may affect company's ability to compete.
4. Company's involvement in legal proceedings
5. Revenue Concentration in Single Business Segment.
6. Human Resource Risks

### **External Risks**

1. The Business is heavily regulated by Government

The Business of the company is subject to the respective State government's policy on excise. Changes in the fiscal policies of the Government could have an adverse impact on the profitability of the company. A significant change in the Government liberalization and deregulation policies could affect business. Adverse changes in other regulation such as the distribution norms may affect the operations of the company.

2. Increased Competition

Entry of more domestic and multinational players in the same industry may force the company to reduce the prices of its products which may reduce its revenues and margins which could have a materially adverse effect on its business, financial condition and results of operation.

### **Other Risks**

There are many more risks which company may be prone to viz. risk of financial and other frauds, threat to confidentiality of vital information, risk of fire, natural calamity, legal risk and the like.

## **RISK MITIGATION MEASURES:**

The management has in place a process to set objectives by all the concerned departments and that the chosen objectives support and align with the company's vision & mission and are consistent with its risk tolerance.

## **RISK MANAGEMENT COMMITTEE**

This committee is responsible for effective implementation of the Risk Management Policy in the company.

## **CONSTITUTION**

The Board of Directors of **GLOBUS SPIRITS LIMITED** to constitute and reconstitute the Risk Management Committee. The Board is to define roles and responsibilities of the Committee and review them as and when deem fit . The committee shall consist of at least three directors duly appointed by the Board as the member of the committee. Senior executives of the company may be members of the said Committee but the Chairman of the Committee shall be a member of the Board of Directors. The majority of Committee shall consist of members of the Board of Directors

## **ROLE & RESPONSIBILITIES**

The primary role of Risk Management Committee is to assess the vulnerability of the Company to existing and future risks and assess the acceptable levels of risks. The Board of Directors may extend the committee's role as per the changing circumstances.

The responsibilities of Risk Management Committee are as following:-

1. Identification of risks.

2. Implementing and monitoring the risk management plan for the company and reframe the risk management plan and policy as it may deem fit.
3. Lay down procedures to inform Board members about the risk assessment and minimization procedures.
4. Monitoring and reviewing of the risk management plan from time to time.
5. Activities as may be required to be done under the Companies Act 2013 or listing Agreements with Stock Exchanges

### **REVIEW**

The Board of Directors may review the Risk Management Policy from time to time. The Board may also alter, modify or extend the policy as per the need of the circumstances. The committee may also review the risk management plan and policy and recommend to the Board from time to time.

### **NON-EXHAUSTIVENESS & DISCLAIMER**

The risks stated above are not at all exhaustive. All concerned are accordingly cautioned and requested to exercise their own judgment in assessing various risks associated with the Company and the areas in which they deal and may suggest to the management their views and ideas for better identifying risks and dealing with the same.

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