



**OSWAL**  
ENERGIES LIMITED

(Formerly Known As Oswal Infrastructure Limited.)

**REGISTERED OFFICE**

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**Risk Management Policy**

[Adopted by the Board on February 25th, 2025]

**OSWAL ENERGIES LIMITED**

**(Formerly known as Oswal Infrastructure Limited)**

## 1. Introduction:

Oswal Energies Limited (formerly known as Oswal Infrastructure Limited) (“**the Company**”) considers ongoing risk management to be a core component of the Management of the Company, and understands that the Company’s ability to identify and address risk is central to achieving its corporate objectives.

The Company’s Risk Management Policy (“**the Policy**”) outlines the program implemented by the Company to ensure appropriate risk management within its systems and culture.

The Policy is formulated in compliance with Regulation 17(9)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**the Listing Regulations**”) and provisions of the Companies Act, 2013 (“**the Act**”), which requires the Company to lay down procedures about risk assessment and risk minimization.

- i. The Board of Directors of the Company shall form a Risk Management Committee (hereinafter referred to as “**Committee**”) who shall periodically review this Policy of the Company so that the Management controls the risk through properly defined network. The Board of Directors may re-constitute the composition of the Committee, as it may deem fit, from time to time.
- ii. The responsibility for identification, assessment, management and reporting of risks and opportunities will primarily rest with the business managers. They are best positioned to identify the opportunities and risks they face, evaluate these and manage them on a day to day basis.

The Risk Management Committee shall provide oversight and will report to the Board of Directors who have the sole responsibility for overseeing all risks.

## 2. Risk Management Program:

The Company’s risk management program comprises of a series of processes, structures and guidelines which assist the Company to identify, assess, monitor and manage its business risk, including any material changes to its risk profile.

To achieve this, the Company has clearly defined the responsibility and authority of the Company’s Board of Directors as stated above, to oversee and manage the risk management program, while conferring responsibility and authority on the Company’s senior management to develop and maintain the risk management program in light of the day-to-day needs of the Company. Regular communication and review of risk management practice provides the Company with important checks and balances to ensure the efficacy of its risk management program.

The key elements of the Company’s risk management program are set out below:

### **Risk Identification:**

In order to identify and assess material business risks, the Company defines risks and prepares risk profiles in light of its business plans and strategies. This involves providing an overview of each material risk, making an assessment of the risk level and preparing action plans to address and manage the risk.

The Company majorly focuses on the following types of material risks:

- ☐ Commodity risk;

- ☐ Business risk;
- ☐ Foreign exchange risk;
- ☐ Technological risks;
- ☐ Strategic business risks;
- ☐ Operational risks;
- ☐ Quality risk;
- ☐ Competition risk;
- ☐ Realization risk;
- ☐ Cost risk;
- ☐ Financial risks;
- ☐ Human resource risks; and
- ☐ Legal/Regulatory risks.

**Oversight and management:**

**Board of Directors-**

The Board of Directors (“**the Board**”) is responsible for reviewing and ratifying the risk management structure, processes and guidelines which are developed and maintained by Committees and Senior Management. The Committees or Management may also refer particular issues to the Board for final consideration and direction.

**Risk Management Committee-**

The day to day oversight and management of the Company’s risk management program has been conferred upon the Committee. The Committee is responsible for ensuring that the Company maintains effective risk management and internal control systems and processes, and provides regular reports to the Board of Directors on the effectiveness of the risk management program in identifying and addressing material business risks.

To achieve this, the Committee is responsible for:

- ☐ managing and monitoring the implementation of action plans developed to address material business risks within the Company and its business units, and regularly reviewing the progress of action plans;
- ☐ setting up internal processes and systems to control the implementation of action plans;
- ☐ regularly monitoring and evaluating the performance of management in managing risk;
- ☐ providing management and employees with the necessary tools and resources to identify and manage risks;
- ☐ regularly reviewing and updating the current list of material business risks;

- ☐ regularly reporting to the Board on the status of material business risks;
- ☐ review and monitor cyber security; and
- ☐ ensuring compliance with regulatory requirements and best practices with respect to risk management.

Further, the Company is exposed to commodity risks on a routine basis due to multiple commodities (imported or domestically procured) utilized in its manufacturing operations. Such risks are managed by a detailed and regular review at a senior level of various factors that influence the commodity prices as well as tracking the commodity prices on a daily basis and entering into fixed price contracts with overseas suppliers in order to hedge price volatility.

### **Senior Management-**

The Company's Senior Management is responsible for designing and implementing risk management and internal control systems which identify material risks for the Company and aim to provide the Company with warnings of risks before they escalate. Senior Management must implement the action plans developed to address material business risks across the Company and individual business units.

Senior Management should regularly monitor and evaluate the effectiveness of the action plans and the performance of employees in implementing the action plans, as appropriate. In addition, Senior Management should promote and monitor the culture of risk management within the Company and compliance with the internal risk control systems and processes by employees. Senior Management should report regularly to the Risk Management Committee regarding the status and effectiveness of the risk management program.

### **Employees-**

All employees are responsible for implementing, managing and monitoring action plans with respect to material business risks, as appropriate.

### **3. Review of risk management program:**

The Company regularly evaluates the effectiveness of its risk management program to ensure that its internal control systems and processes are monitored and updated on an ongoing basis. The division of responsibility between the Board, the Committee and the Senior Management aims to ensure the specific responsibilities for risk management are clearly communicated and understood.

The reporting obligation of Senior Management and Committee ensures that the Board is regularly informed of material risk management issues and actions. This is supplemented by the evaluation of the performance of risk management program, the Committee, the Senior Management and employees responsible for its implementation.

### **4. Risk Management System:**

Generally, every staff member of the Organisation is responsible for the effective management of risk including the identification of potential risks. Management is responsible for the development of risk mitigation plans and the implementation of risk reduction strategies. Risk management processes should be integrated with other planning processes and management activities.

All the Senior Executives under the guidance of the Managing Director has the responsibility for over viewing management's processes and results in identifying, assessing and monitoring risk associated with

Organisation's business operations and the implementation and maintenance of policies and control procedures to give adequate protection against key risks. In doing so, the Senior Executives consider and assess the appropriateness and effectiveness of management information and other systems of internal control.

The internal audit function will support Company risk management through review of risk management practices and procedures to provide assurance on their efficiency. Internal Audit would audit the adherence to control systems, and their effectiveness and also flag off any new risks that may emerge during the internal audit reviews.

The Audit Committee of the Board shall evaluate the risk management systems and the Board has total responsibility for total process of risk management in the organization which includes framing, implementing and monitoring risk management plan.

The success of the Risk Management Framework depends on the efforts taken to mitigate/ reduce either the probability or consequence of the risk/ threat. The Risk Management Framework of the Company includes three key elements:

❖ Risk Identification and Assessment

- Risk identification requires complete information of the organization, the economic & market conditions and external environment.
- Potential events that may affect the achievement of objectives are identified from internal or from external sources.
- The Company is exposed to different types of risks that can be classified into various categories based on their nature, impact, source of their origin and core aspects.
- Risks are analyzed, considering likelihood and impact, as a basis for determining how they should be managed effectively.
- Risk Assessment consists of a detailed study of potential threats and vulnerability and resultant exposure to various risks & its constituents.

❖ Risk Mitigation

- Risk mitigation is an exercise aiming to reduce the loss or injury arising out of various risk exposures.
- Risk Mitigation includes transfer, sharing, avoidance and reduction of risks.
- The Company believes that this would ensure mitigating risks proactively and help to achieve stated objectives.
- The Company adopts a systematic approach to mitigate risks associated with accomplishment of objectives, operations, revenues and regulations.

❖ Risk Management and Risk Monitoring

- Risk Management and Risk Monitoring are important in recognizing and controlling risks. The probability of risk assumption is estimated with available data and information.

## 5. Amendment:

Any change in the Policy shall be approved by the Board of Directors or any of its Committees (as may be authorized by the Board of Directors in this regard). The Board of Directors or any of its authorized Committees shall have the right to withdraw and / or amend any part of this Policy or the entire Policy, at any time, as it deems fit, or from time to time, and the decision of the Board or its Committee in this respect shall be final and binding. Any subsequent amendment / modification in the Listing Regulations and / or any other laws in this regard shall automatically apply to this Policy.

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