RISK ASSESSMENT AND MANAGEMENT POLICY

1. PREAMBLE

Pursuant to Regulation 17(9) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Section 134(3) of the Companies Act, 2013 ("Act"), this Risk Assessment and Management Policy ("Policy") establishes the philosophy of **Bharat Global Developers Limited** ("Company") towards risk identification, analysis and prioritization of risks, development of risk mitigation plans and reporting on the risk environment of the Company.

This Policy is applicable to all the functions, departments and geographical locations of the Company.

The purpose of this Policy is to define, design and implement a risk management framework across the Company to identify, assess, manage and monitor risks.

Aligned to this purpose is also to identify potential events that may affect the Company and manage the risk within the risk appetite and provide reasonable assurance regarding the achievement of the Company's objectives.

2. CONTEXT

Bharat Global Developers Limited is engaged in the business of the agriculture sector.

The growth and success of any business depends on the ability to identify, understand and respond to the challenges of a very dynamic market. This uncertainty generates risk, with the potential to be evaluated either as a source of opportunity or threat.

By understanding and managing risk, we provide greater certainty and confidence to all our stakeholders.

The risks inherent in our operating environment create the need to think about, take and manage risk in an informed way.

Explicit and effective risk management is a source of insight and competitive advantage. As such, forward-looking risk management must be a cornerstone of our decision-making.

To this end, the Company is committed to the ongoing development of a strategic and consistent enterprise-wide approach to risk management, underpinned by a risk-aware culture.

Everyone in the Company has a role in managing risk by enhancing opportunities and minimizing threats, so that together we achieve our common goals — growing our business sustainably, enhancing value for customers and shareholders and contributing to society at large.

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3. SCOPE

This Policy is applicable to all factories/units and branch offices of the Company throughout India and abroad.

The Policy is supported by the Risk Management Framework.

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4. PURPOSE

The Company recognizes the importance of managing risk in the business to sustain growth.

The purpose of this Policy is to ensure that:

a. Appropriate systems are in place to identify the material risks facing the Company.

b. The potential financial impact of identified risks is ascertained.

c. Appropriate controls and strategies are adopted to manage exposure to those risks.

d. Appropriate responsibilities are delegated to control identified risks effectively.

e. Any material changes to the Company's risk profile are disclosed in accordance with the Company's continuous disclosure policy.

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5. RESPONSIBILITY AND ACCOUNTABILITY

Board:
The Board is responsible for the management of risk in the Company. The Board will periodically review the Risk Management Policy to ensure that executive management controls risk through means of a properly defined framework.

Audit Committee:

The Audit Committee provides assistance to the Board in fulfilling its risk management responsibilities.

Risk Owners:
Risk Owners are accountable to the Board for:

(i) the development, implementation, maintenance and review of appropriate controls and strategies to manage allocated risks;

(ii) reporting to the Board on controls and strategies.

Enterprise Risk Management Facilitator ("ERM"):
The ERM Facilitator is accountable to the Board to facilitate and coordinate risk management activities by Risk Owners.

Employees:
All employees are responsible for taking reasonable and practical steps to perform their responsibilities delegated under this Policy and related procedures.

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6. METHODOLOGY

(i) **Establish the context:** Define clearly the scope for each level of risk assessment.

(ii) **Identify the risk:** What could happen? How and why it could happen?

(iii) **Analyse risk:** How frequently is it likely to happen and what are the possible consequences?

(iv) **Evaluate and prioritize the risk:** Relevant internal controls are considered and evaluated and a decision is made as to whether these controls are adequate and appropriate to mitigate the level of risk and whether further controls are warranted to reduce the risk to an acceptable level.

(v) **Treat risks:** Risk treatment strategies are evaluated and selected and risk is re-rated factoring in the proposed treatment strategies.

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7. KEY RISKS

The key risks currently under management by the Company in accordance with this Policy are as follows:

(i) **Acquisition & Growth:** There is a risk that the Company may not achieve its strategic objectives to grow the business through acquisitions, diversification and expansion of practice areas, or that such growth objectives may not realize the forecasted profits.

(ii) **Recruitment & Retention** – there is a risk that the Company may not be able to recruit or retain suitably qualified or experienced people to achieve strategic objectives.

(iii) **Competition** – there is a risk that the Company will not be in a position to continue to compete effectively with current or future competitors.

(iv) **Reputation & Intellectual property** –There is a risk of unauthorized use of the Company's Intellectual property.

(v) **Information Systems and Operational Risks** – there is a risk of catastrophic information system failure or other operational failure or malfunction. vi) Employee misconduct

(vi) **Governance Failure.**

(vii) **Economic Risk, Market conditions, Liquidity and Investment Returns**.

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8. RISKS SPECIFIC TO THE COMPANY AND THE MITIGATION MEASURES ADOPTED

1) Business Dynamics

Variance in the demand and supply of the product in various areas. Based on experience gained from the past, the Company is able to predict the demand during a particular period and accordingly supply is planned and adjusted.

Also, the Company is working on expanding its product portfolio to mitigate the risks due to business fluctuations. Further, the Company is also expanding its market reach in exports by entering new territories through acquisitions and its partners. This would help in de-risking the Company from any sort of major variances in demand from specific regions/markets.

2) Business Operations Risks

These risks relate broadly to the Company's organisation and management, such as planning, monitoring and reporting systems in the day-to-day management process namely:

- Organisation and management risks,
- Production, process and productivity risks,
- Business interruption risks,
- Profitability risk

Risk Mitigation Measures:

- The Company functions under a well-defined organization structure.
- Flow of information is well defined to avoid any conflict or communication gap between two or more Departments.
- Second level positions are created in each Department to continue the work without any interruption in case of non-availability of functional heads.
- Sufficient stock of raw materials is kept to ensure continuous production.
- Effective steps are being taken continuously to reduce cost of production.
- Effective steps are being taken to continuously improve product performance and quality.

3) Liquidity Risks

- Financial solvency and liquidity risks
- Borrowing limits

- ash management risks

Risk Mitigation Measures:

- Proper financial planning is put in place.
- Annual and Quarterly Budgets and Variance Analyses are prepared to have better financial planning.
- Daily and monthly cash flows are prepared.
- Cash management services are availed from banks to avoid any loss of interest on collections.
- Exposure to foreign exchange transactions are supported by LC's and bank guarantees and suitable hedging policy.

4) Credit Risks

- Risks in settlement of dues by clients
- Provision for bad and doubtful debts

Risk Mitigation Measures:

- Systems are put in place for assessment of creditworthiness of customers.
- Provision for bad and doubtful debts is made to arrive at correct financial position of the Company.
- Appropriate recovery management and follow-up.

5) Logistics Risks

- Use of outside transport sources

Risk Mitigation Measures:

- Exploring possibility of an in-house logistic mechanism if the situation demands.
- Possibilities to optimize operations by using a combination of transportation through road/rail and sea/air are explored.

6) Market Risks / Industry Risks

- Demand and supply risk
- Quantities, quality, suppliers, lead time, interest rate risks
- Raw material rates
- Interruption in the supply of raw material

Risk Mitigation Measures:

- Raw materials are procured from different sources at competitive prices.
- Alternative sources are developed for uninterrupted supply of raw materials.
- Demand and supply are external factors on which the Company has no control; however, production and sales are planned based on past experience and continuous monitoring.

- The Company continuously works on reducing the gap between demand and supply.
- Proper inventory control systems have been put in place.

7) Human Resource Risks

• Labour turnover risks involving replacement risks, training risks, skill risks, etc.
• Unrest risks due to strikes and lockouts

Risk Mitigation Measures:

• Proper recruitment policy for personnel at various levels.
• Proper appraisal system to evaluate performance and recognize employees.
• Regular training programs to upgrade employee skills.
• Labour issues are managed through negotiation and conciliation.
• Employee welfare activities are undertaken

8) Disaster Risks

• Natural risks like fire, floods, earthquakes, etc.

Risk Mitigation Measures:

• Properties are insured against natural risks.
• Fire extinguishers are installed at sensitive locations.
• First aid training is provided to safety personnel.
• Employees are covered under ESI, EPF, etc.

9) System Risks

• System capability
• System reliability
• Data integrity risks
• Coordinating and interfacing risks

Risk Mitigation Measures:

• Systems are maintained and upgraded continuously by trained personnel.
• Password protection is implemented at multiple levels.
• Licensed software is used.
• Data security through access controls.
• Regular data backups to prevent data loss.

10) Legal Risks

These risks relate to:

• Contract risks
• Contractual liability
• Frauds
• Judicial risks
• Insurance risks

Legal risk is the risk in which the Company is exposed to legal action.

As the Company is governed by various laws, it must conduct its business within legal boundaries, exposing it to legal risks.

The Company engages professionals and advisors to evaluate risks in contracts, ascertain responsibilities, restrict liabilities and ensure compliance.

Management encourages reliance on professional advice and ensures compliance with laws and regulations.

Risk Mitigation Measures:

• Detailed review of contracts focusing on liabilities, penalties and conditions.
• Legal department and advisors vet documents.
• Contracts finalized with professional advice.
• Insurance policies audited regularly.
• Timely payment and full coverage under insurance.
• Strong internal control systems to prevent fraud and protect intellectual property.

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9. REVIEW

This Policy will be reviewed as and when required by change in circumstances affecting the risk portfolio of the Company.