Om Metals Infraprojects Limited
Risk Management Policy

[Under Section 134(3) (n) of the Companies Act, 2013 and Regulation 17(9) (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

OVERVIEW

This is in compliance with Section 134 (3) (n) of the Companies Act, 2013 and Regulations 17(9)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which requires the Company to develop and implement a Risk Management Policy / Plan and to lay down risk assessment and minimisation procedures.

ROLE OF BOARD OF DIRECTORS

The Board of Directors of the Company oversee the development of Risk Management Policy and the establishment, implementation and monitoring of the Company's risk management system, in accordance with the policy.

The Provisions of Section 134(3) (n) of the Companies Act, 2013 necessitate that the Board's Report should contain 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 requirements, it is therefore, required for a Company to frame and adopt a "Risk management Policy" (this Policy) of the company.

ROLE OF THE HEADS OF THE DEPARTMENTS

Heads 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 of Directors of the Company.

RISK PROFILE

The Company considers that any risk that could have a material impact on its business should be included in its risk profile. The areas of risk include,

a. Technology Risk
b. Competition Risk
c. Financial Risk
d. Cost Risk
e. Legal Risk
f. Economic Environment and Market risk
g. Political Environment Risk
h. Inflation and Cost structure
i. Technology Obsolescence
j. Project Execution
k. Contractual Compliance
l. Operational efficiency
m. Hurdles in optimum use of resources
n. Human resources management
o. Environment management

The key risk management process would include

i. Risk Identification
ii. Assessment of identified risk
iii. Risk measurement
iv. Risk mitigation
v. Monitoring of the risk mitigation efforts
vi. Risk reporting and disclosures
vii. Integration with strategy and business plan

ROLE OF AUDIT

A strong and independent Internal Audit Function at the corporate level carries out risk focused audits across all businesses, enabling identification of areas where risk management processes may need to be improved. The Audit Committee of the Board reviews Internal Audit findings, and provides strategic guidance on internal controls. It also monitors the internal control environment within the Company and ensures that Internal Audit recommendations are effectively implemented.

RESPONSIBILITY TO STAKEHOLDERS

The Company considers the reasonable expectations of stakeholders particularly with a view to preserving the Company's reputation and success of its business. Factors which affect the Company's continued good standing are included in the Company's risk profile.

CONTINUOUS IMPROVEMENT

The Company's risk management system is always evolving. It is an ongoing process and it is recognised that the level and extent of the risk management system will evolve commensurate with the development and growth of the Company's activities. The risk management system is a "living" system and the documentation that supports it will be regularly reviewed and updated in order to keep current with Company circumstances.