



POLICY  
ON  
RISK MANAGEMENT

## Table of Content

1.	Preamble	3
2.	Objective	3
3.	Definitions	3
4.	Risk to the Company	4
5.	Risk Assessment	4
6.	Risk Management and Internal Control System	5
7.	Role of the Board of Directors	5-6
8.	Policy Review	6
9.	Interpretation	6
10.	Disclosure	6

## 1. Preambles

The Policy on Risk Management (“Policy”) is framed by Rolex Rings Limited in compliance of Regulation 17(9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Sections 134(3)(n), 177(4)(vii) read with Schedule IV [Part II-(4)] of the Companies Act, 2013 as amended from time to time.

## 2. Objective

The Policy is to create a framework for identifying the potential risks impacting the Company’s business and applying the various strategies for its minimization, optimization and maximizing the opportunities.

The Main Strategic Objectives of the policy are as follows:

- Improving decision making, planning and prioritization by comprehensive and structured understanding of business activities, volatility and opportunities/ threats;
- Contributing towards more efficient use/ allocation of the resources within the organization;
- Protecting and enhancing assets and company image;
- Reducing volatility in various areas of the business;
- Developing and supporting people and knowledge base of the organization; and
- Optimizing operational efficiency.

## 3. Definitions

- a. “Act” means the Companies Act, 2013 as may be amended from time to time.
- b. “Board of Directors” or “Board” means the Board of Directors of Rolex Rings Limited, as constituted from time to time.
- c. “Policy” shall mean the Policy on Risk Management, as amended from time to time.
- d. Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any other applicable law or regulation, amended from time to time.

#### **4. Risk to the Company**

The Company will identify risks which it is subject to and are significant in nature to threaten its existence.

Examples of some of the identified risks are:

- a. Operational risk;
- b. Customer concentration risk;
- c. Macro-economic risks including business cycles;
- d. Non-compliance to statutory obligations;
- e. Employee related risk (including IR, Skill, Talent availability /attrition, legal compliance);
- f. Information Technology risk;
- g. Original Equipment Manufacturer Product / Platform risk;
- h. Foreign Exchange risk;
- i. Environment, Health & Safety risk;
- j. Strategic risks;
- k. Intellectual Property Risk.

#### **5. Risk Assessment**

The Risk Assessment is a systematic process of identifying and analysing the potential risks and determine appropriate ways to eliminate the same. This also includes in-depth research of threat, insecurity and resultant to Various Risk.

Risk Identification is obligatory on all vertical and functional heads that with the inputs from their team members are required to report the material risks to the Executive Director/Chairman along with their considered views and recommendations for risk mitigation.

## **6. Risk Management and Internal Control System**

The systematic way of protecting business resources and income against losses so that the objectives of the Company can be achieved without unnecessary interruption.

The Company's Risk Management and Internal Control System have key role in the management of Risk that are significant to the fulfilment of its business goals and to safeguarding the shareholders' investment and the Company's assets.

The Company has established a well-defined process of risk management, wherein the identification, analysis and assessment of the various risks, measuring of the probable impact of such risks, formulation of risk mitigation strategy and implementation of the same takes place in a structured manner.

Though the various risks associated with the business cannot be eliminated completely, all efforts are made to minimize the impact of such risks on the operations of the Company.

Necessary internal control systems are also put in place by the Company on various activities across the board to ensure that business operations are directed towards attaining the stated organizational objectives with optimum utilization of the resources.

Apart from these internal control procedures, a well-defined and established system of internal audit is in operation to independently review and strengthen these control measures, which is carried out by a reputed firm of Chartered Accountants. The Audit Committee of the Company regularly reviews the reports of the internal auditors and recommends actions for further improvement of the internal controls.

## **7. Role of the Board of Directors**

The board should fulfil certain key functions, including:

- a. Reviewing and guiding corporate strategy, major plans of action, risk policy, annual budgets and business plans, setting performance objectives, monitoring implementation and corporate performance, and overseeing major capital expenditures, acquisitions and divestments.

- b. The board of directors shall ensure that, while rightly encouraging positive thinking, these do not result in over-optimism that either leads to significant risks not being recognised or exposes to the Company to excessive risk.
- c. The board of directors shall have ability to 'step back' to assist executive management by challenging the assumptions underlying: strategy, strategic initiatives (such as acquisitions), risk appetite, exposures and the key areas of the Company's focus.
- d. Monitoring and managing potential conflicts of interest of management, members of the board of directors and shareholders, including misuse of corporate assets and abuse in related party transactions.
- e. Ensuring the integrity of the Company's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards.

## **8. Policy Review**

The Policy shall be periodically reviewed and brought in conformity with statutory and regulatory requirements, as and when required.

This Policy has been approved at the Meeting of the Board of Directors held on March, 12, 2021.

## **9. Interpretation**

In any circumstance where the provisions of this Code differ from any existing or newly enacted law, rule, regulation or standard governing the Company, the relevant law, rule, regulation or standard will take precedence over this Code until this Code is changed to conform to the said law, rule, regulation or standard.

## **10. Disclosure**

The Policy, as amended from time to time, is disclosed on Company's website i.e. [www.rolexrings.com](http://www.rolexrings.com).