AMANI TRADING AND EXPORTS LIMITED

RISK MANAGEMENT POLICY

INTRODUCTION

This document lays down the framework of Risk Management at Amani Trading and Exports Limited (hereinafter referred to as the ‘Company’ or ‘Amani’) and defines the policy for the same. This document shall be under the control and supervision of the Board of Directors of the Company. It seeks to identify risks inherent in any business operations of the Company and provides guidelines to define, measure, report, control and mitigate the identified risks.

The Board of Directors of ‘AMANI’ has adopted the following policy and procedures with regard to Risk Management. The Board may review and amend /modify this policy from time to time or at a duration as may be deemed fit by it. The Board of Directors are empowered to amend this policy in whole or in part, at any time consistent with requirements of applicable laws, rules and regulations.

LEGAL FRAMEWORK

Risk Management is a key aspect of Corporate Governance principles which aims to improvise the governance practices across the business activities of any organisation. The new Companies Act, 2013 and SEBI (Disclosure Obligations & Requirements) Regulations, 2015 have also incorporated certain provisions in relation to Risk Management.

The provisions of Section 134(3)(n) of the Companies Act, 2013 necessitate that the Board’s Report should contain a 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 of Directors which shall inter-alia include evaluation of risk management systems. In line with the above requirements, it is therefore necessary for the Company to frame and adopt a “Risk Management Policy” (this Policy).

Schedule IV to the Companies Act, 2013 require Independent Directors to satisfy themselves that the systems of risk management are robust and defensible. SEBI (Disclosure Obligations & Requirements) Regulations, 2015 also require the Board to ensure that appropriate systems of control are in place, in particular systems for risk management.

In the light of aforesaid provisions, the Company has put in place a comprehensive framework of risk management for assessment of risks and determine the responses to these risks so as to minimize their adverse impact on the company.

In line with the above requirements, it is therefore, required for the Company to frame and adopt a “Risk Management Policy” (this Policy) of the Company

DEFINITION OF RISK

The term, "Risk" does not find any specific definition under the Act. However, as per Business Dictionary (www.businesdictionary.com), risk can be defined as a probability or threat of damage, injury, liability, loss, or any other negative occurrence that is caused by external or internal vulnerabilities, and that may be avoided through pre-emptive action.

TYPE OF RISKS FOR COMPANY

Risks are categorized mainly of three types: Critical, Cautionary and Acceptable. Risk Management Policy and Risk Management Framework have been developed to include the key categories i.e. Marketing, Trading and Human Resources etc.

OBJECTIVES

The main objective of this Policy is to ensure sustainable business growth with stability and to promote a pro-active approach in reporting, evaluating and resolving risks associated with the Company's business. In order to achieve the key objective, this Policy establishes a structured and disciplined approach to Risk Management, in order to guide decisions on risk related issues.

The specific objectives of this Policy are:

- To identify and assess various business risks arising out of internal and external factors that affect the business of the Company
- To work out methodology for managing and mitigating the risks.
- To establish a framework for the company's risk management process and to ensure its implementation.
- To enable compliance with appropriate regulations, wherever applicable, through the adoption of best practices.
- To assure business growth with financial stability.

IMPLEMENTATION OF THE POLICY:

Generally every staff member of the company is responsible for the effective management of risk including the identification of potential risks. Boards of Directors are 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

REVIEW

This policy shall be reviewed by the Audit Committee and the Board from time to time as may be necessary.