

NIRLON LIMITED

Western Express Highway,
Goregaon (E), Mumbai - 400 063.
T +91-22-4028 1919 / 2685 2256 - 59.
F +91-22-4028 1940.
www.nirlonltd.com, Email:info@nirlonltd.com
CIN:L17120 MH1958PLC 011045



**Nirlon Limited's Risk Management Committee (RMC) and Risk
Management Policy of Nirlon Limited
(Effective from November 13, 2014)**

(I) Introduction

The Risk Management Committee (**RMC**) of Nirlon Limited ("**the Company**" or "**NL**") was formed on September 23, 2014, in compliance with Clause 49(VI) of the BSE Listing Agreement in order to ensure the Company's affairs shall be carried out in a sound and a prudent manner by managing its business, operating and financial risk by adopting appropriate risk identification, assessment, control and mitigation measures.

(II) Objectives

RMC and **RC** Policy are in compliance and in agreement Clause 49 (VI) of the Listing Agreement, i.e.

- (a) To formulate and recommend to the Board, a Risk Management Policy which shall indicate the various steps to be undertaken by the Company as may be prudent.
- (b) To recommend the action to be taken to mitigate risk
- (c) To monitor the RC Policy.
- (d) To ensure that the Company should review the Policy, methods and measures and steps taken by the Company at least two times in a financial year

(III) Definitions

- (1) "**Act**" means the Companies Act, 2013;
- (2) "**Risk Management (RM)**" means and includes but not limited to:-
 - (i) Project risk
 - (ii) Business operations Risk
 - (iii) Financial risk
 - (iv) Operating Risk
 - (v) Continuity of Business Risk
 - (vi) Marketing Risk
 - (vii) Compliance Risk



NIRLON LIMITED

Western Express Highway,
Goregaon (E), Mumbai - 400 063.
T +91-22-4028 1919 / 2685 2256 - 59.
F +91-22-4028 1940.

www.nirlonltd.com, Email:info@nirlonltd.com

CIN:L17120 MH1958PLC 011045



- (3) **“Risk Management Committee”** means the Risk Management Committee of the Board referred to in clause 49(VI) of the BSE listing Agreement;
- (4) **“Board”** means the Board of Directors of the Company;
- (5) **“Clause”** means Clause 49(VI) of the Listing Agreement.

(IV) Roles and Responsibilities

- (a) To disclose the composition of the Risk Management Committee in the Board's Report;
- (b) To formulate and recommend to the Board, a Risk Management Policy;
- (c) To recommend the methods and procedures to be followed by the Company with respect to risk assessment and minimization procedures for the same;
- (d) To monitor and review the Risk Management Policy of the Company from time to time;
- (e) To disclose contents of such Policy in its report and also place it on the Company's website, if any, in such manner as may be prescribed;
- (f) To formulate , adopt , implement , and review various methods in order to achieve the following:-
- create value – resources expended to mitigate risk should be less than the consequence of inaction, or (as in value engineering), the gain should exceed the pain
 - be an integral part of organizational processes
 - be part of the decision making process
 - explicitly address uncertainty and assumptions
 - have systematic and structured processes
 - be based on the best available information
 - be tailorable
 - take human factors into account
 - be transparent and inclusive
 - be dynamic, iterative and responsive to change
 - be capable of continual improvement and enhancement
 - be continually or periodically re-assessed

For the most part, these methods may consist of the following elements, performed, more or less, in the following order.



NIRLON LIMITED

Western Express Highway,
Goregaon (E), Mumbai - 400 063.
T +91-22-4028 1919 / 2685 2256 - 59.
F +91-22-4028 1940.

www.nirlonltd.com, Email:info@nirlonltd.com

CIN:L17120 MH1958PLC 011045



1. Identify, characterize threats
2. Assess the vulnerability of critical assets to specific threats
3. Determine the risk (i.e. the expected likelihood and consequences of specific types of attacks on specific assets)
4. Identify ways to reduce those risks
5. Prioritize risk reduction measures based on a strategy

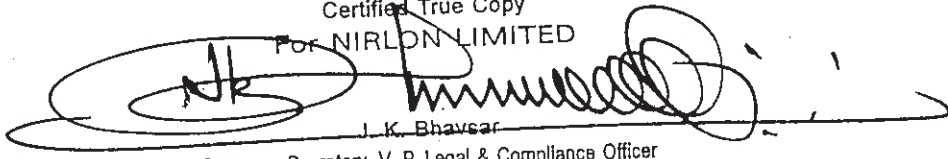
(V) Constitution

1. The RMC shall always consist of atleast three directors, out of which at least one director shall be an independent director and one Director shall be a Woman Director.
2. Membership of the Committee shall be disclosed in the Annual Report.
3. The Company Secretary of the Company shall act as Secretary of the Committee.

(VI) Power to remove difficulties

If any difficulties arise in giving effect to the provisions of this Policy, the Chairman of RMC may in consultation with the Board by an order make such provisions as appear to it to be necessary or expedient for removing the difficulty by suitably amending/ modifying, such provisions and amendment/ modification shall be displayed at the website of the Company.



Certified True Copy
For NIRLON LIMITED

J. K. Bhavsar
Company Secretary, V. P.-Legal & Compliance Officer
F.C.S. 4178