RISK MANAGEMENT POLICY

Nava Bharat Ventures Limited

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PRELIMINARY

Nava Bharat Ventures Limited ("NBVL / the Company") considers risk assessment to be a core component of the Management of the Company and understands that the Company's ability to identify and address risk is central to achieve its corporate objectives.

The Company's Risk Management Policy ("the Policy") outlines the structure and the approach implemented by the Company to ensure appropriate risk management.

The Policy is formulated in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") and provisions of the Companies Act, 2013 ("the Act"), which requires:

The Board of Directors of the Company to form a Risk Management Committee (hereinafter referred to as "The Committee") who shall periodically review this Policy of the Company so that the Management controls the risk through properly defined framework. The Board of Directors may re-constitute the composition of the Committee, as it may deem fit, from time to time.

OBJECTIVE

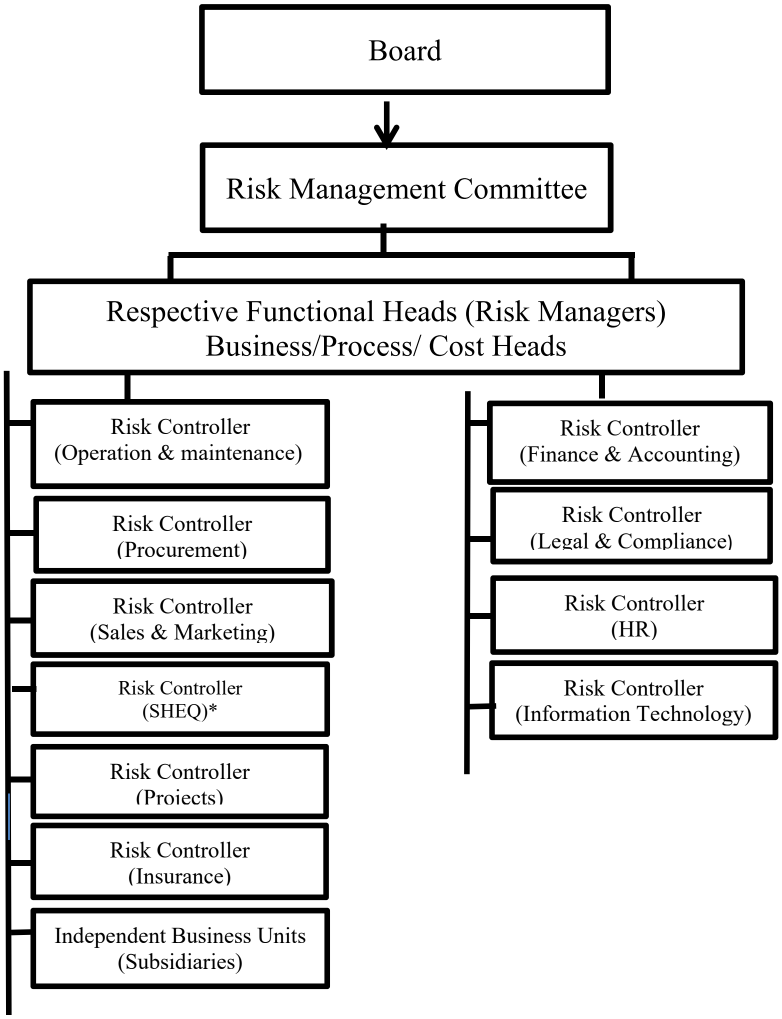
The nature and scale of our operations alongside the interdependencies at various levels call for a comprehensive risk management system to deal with impact of several risks. Our Risk Management Framework considers various aspects of our business operations and processes, while focusing on ESG (Safety, Environmental, Social and Governance) parameters. NBVL's risks management framework is directed to enable management to effectively deal with uncertainty, associated risks and opportunities. It broadly encompasses:

- Identification of risk management team with clearly defined roles and responsibilities.
- Integrated approach to risk management at strategic level.
- Ensuring compliance with appropriate regulations, wherever applicable through the adoption of best practices.
- Systematic approach and use of special tools for risk management.
- Promotion of risk awareness programs.
- Monitoring and reporting effective implementation of risk management framework.

RISK MANAGEMENT STRUCTURE

A well-defined risk governance structure serves to communicate the approach of risk management throughout the organisation by establishing clear allocation of roles and responsibilities for the management of risks on a day to day basis.

The diagram below outlines the risk management structure of NBVL and its subsidiaries:-



* *Safety, Health, Environment and Quality*

Board of Directors and Audit Committee:

The Board of Directors ("the Board") and Audit Committee (AC) shall give directions to RMC on high impact risks and their mitigation. They are also responsible for reviewing and ratifying the risk management structure, processes and guidelines which are developed and implemented by Risk Management Committee (RMC) and the Risk managers. The Board and the Audit Committee review the periodical risk management reports submitted by RMC.

Risk Management Committee (RMC):

Risk Management Committee is constituted by the Board of directors consisting of such number of Directors (executive or non-executive) as prescribed under the regulations.

The roles and responsibilities of the RMC as defined by the Board which inter alia, include the following:

1. To formulate a detailed risk management Plan which shall include:
    - A framework for identification of internal and external risks specifically faced by individual departments of the listed entity and its Subsidiaries.
    - Measures for risk mitigation including systems and processes for internal control of identified risks and business continuity plan.

2. To ensure that appropriate methodology, processes, and systems are in place to monitor and evaluate risks associated with the business of the Company and its Subsidiaries;

3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity.

5. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;

6. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

7. To seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.

Risk Manager (RM):

The activities relating to risk management is to be managed by a person having overall insight of the Business processes. As such respective business / functional heads are identified as Risk Managers and entrusted with the responsibility of identifying and managing the risks. The Risk Managers are responsible to develop and implement the action plans to address material business and other risks across the Company.

Roles and responsibilities of the Risk Manager are:

- To monitor regularly and evaluate the effectiveness of the action plans and the performance of employees in implementing the action plans.
- To promote and monitor the culture of risk management within the Company and ensure compliance with the internal risk control systems and processes by the employees.
- Regularly report to the RMC regarding the status and effectiveness of the risk management program.
- To carry out any other responsibility entrusted by the RMC from time to time.

Risk Controller:

The risk controller of respective business unit / function will carry out procedures as established by RM and coordinate in reporting key business and other risks across the business unit / function. Key responsibilities of the Risk controller include:

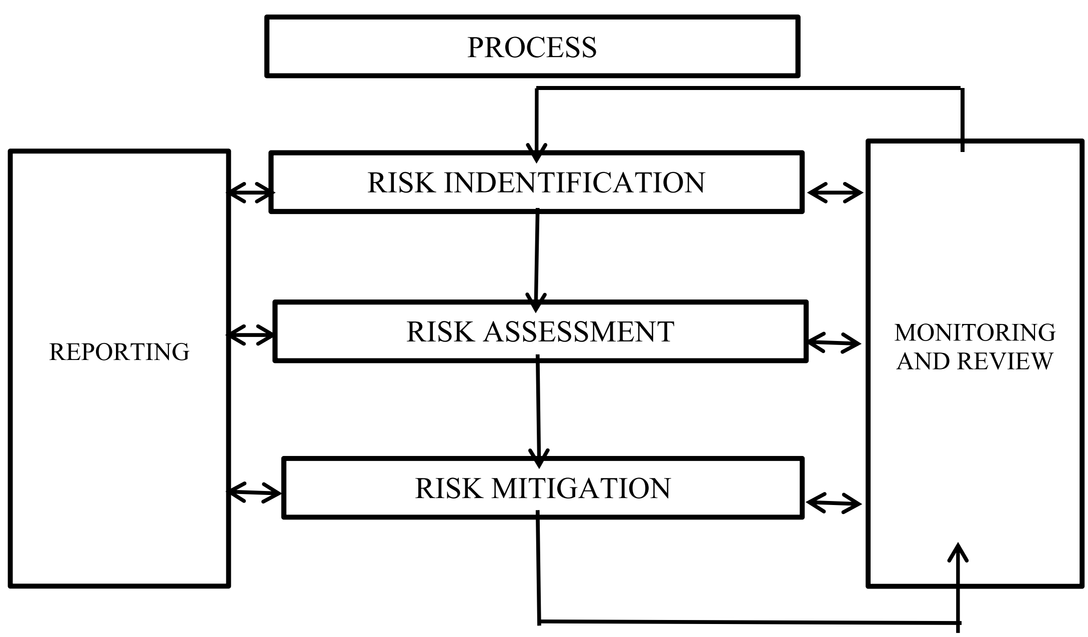
- Identifying and reporting new risks or failures of existing control measures with remedial action.
- Escalation of issues requiring policy approvals and amendments to the Corporate Level.
- Educating employees dealing with key activities of the risk management process.

Employees

The employees of the Company are directly involved in the business and the functions and as such better placed to identify and manage the risks under the guidance of RM. They are recognized as important catalyst and are responsible for implementing, managing and monitoring action plans, as appropriate.

RISK MANAGEMENT APPROACH

The Company's risk management framework comprises of a series of processes and guidelines which assist the Company to identify, assess, monitor and manage its business and other risks, including any material changes to its risk profile.
The key elements of the Company's risk management framework are depicted below:



RISK IDENTIFICATION

Risk identification consists of determining which risks are likely to affect NBVL & its subsidiaries and documenting the characteristics of those risks. Risk identification is an iterative process (it is not a one off event but must be repeated on a periodic basis) and should address both internal and external risks to the Company.

The aim is to develop a comprehensive list of sources of risk and events that might have an impact on Company's objectives or outcomes along with identification of their root cause and preparing action plans to address and manage the risk. The RMs is entrusted with the responsibilities to assist in preparation of risk management template which helps facilitating risk identification and its management. Company identified the following risks as enumerated below:

External Risk Factors	Internal Risk Factors
◆ Economic Environment and Market conditions ◆ Fluctuations in Foreign Exchange ◆ Political Environment ◆ Competition ◆ Revenue concentration ◆ Inflation and cost structure ◆ Technology obsolescence ◆ Risk of Corporate Accounting Fraud	◆ Financial reporting risks ◆ Contractual compliance ◆ Compliance with local laws ◆ Quality and Project management ◆ Safety and Environmental management ◆ Human resource management ◆ Culture and values

RISK ASSESSMENT

Risk assessment refers to the process followed to comprehend the nature of risk and determine the level of risk. Risk assessment is intended to provide inputs for risk evaluation.

Risk assessment provides a standard and consistent process for the Company and its Business Units / Functions to consider the extent to which potential events might have an impact on achievement of its objectives. It provides a portfolio view of risks.

During this process, events with a potential of impacting objectives are assessed and included in the overall risk profile of the respective Business Functions/ Departments. Risk profiles of the various Departments are combined to form a portfolio view of risk at the corporate level.

Risk assessment shall be performed for each risk identified. The onus of risk assessment is with the risk manager, who may choose to consult with the RMC for this purpose. Based on the results of the analysis, appropriate action shall be taken i.e. risk escalation and risk treatment.

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RISK MITIGATION

We have established a clear cut structure that enables the identification of areas of improvement to ensure continued relevance of program and framework to the organization. Such review and assessment is carried out at least twice a year by the Risk Managers in accordance with the directions given by the Risk Management Committee and appropriate risk treatments are worked out.

Risk Monitoring:

Risk Managers shall be responsible to monitor the mitigation plans as approved and submit the status of the mitigation plan to the Risk Management Committee on a half-yearly basis.

CREATION OF RISK REGISTER

Risk Register shall be the key document used to communicate the current status of all known risks.

Risks identified shall be documented in the risk register by the Risk Manager. The Risk Register shall inter alia include the following:

- List of risks
- Root causes for each risk
- Impact- high, medium and low
- Mitigation plan

REVIEW AND REPORTING

- The status of implementation of the approved Mitigation plans shall be reviewed by the Risk Controller and reported to Risk Managers as frequently as required. This report to Risk Manager shall also indicate any Policy deviations, failure of existing mitigation plans and other major issues, if any, faced during the period.

- Risk Managers shall review the Report of the Risk Controller and shall identify the high impact risks (along with the mitigation plan), for the purpose of reporting to RMC on a Half yearly basis. This report to RMC shall also indicate any Policy deviations, failure of existing control measures and other major issues, if any, faced during the period.

- RMC shall review the Report of RM and suggest measures, if required. Further, it shall also escalate High Impact Risks as it deems necessary to the Audit Committee and Board twice a year or at such other intervals as RMC deems necessary.

- Audit Committee and Board shall review the RMC's Report and provide strategic direction for effective risk management.

The combination of policies and processes as outlined above adequately addresses the various risks associated with our Company's businesses. The Senior Management of the Company periodically reviews the risk management framework to maintain its contemporariness so as to effectively address the emerging challenges in a dynamic business environment.

AMENDMENT

Any amendment(s) to this Policy shall be approved by the Board of Directors based on the recommendation of RMC. In the event of any conflict between the Regulations (the Companies Act, SEBI Regulations or any other statutory/ regulatory enactments/ rules/ regulations/ guidelines) and the provisions of this policy, the Regulations shall prevail over this policy.