

[Approved in 147th Board of Directors Meeting vide resolution no. 08/147/2023 dated 24.03.2023]

RISK MANAGEMENT POLICY

NORTH EASTERN REGIONAL AGRICULTURAL MARKETING CORPORATION LIMITED (NERAMAC)

1. Legal Framework:

Section 134(3) of the Companies Act, 2013 prescribed for disclosure in its Boards' Report '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'.

Guidelines on Corporate Governance for Central Public Sector Enterprises prescribed that the Company shall lay down procedures to inform Board members about the risk assessment and minimization procedures. These procedures shall be periodically reviewed to ensure that executive management controls through means of a proper defined framework. Procedure should be laid down for internal risk management also.

2. Risk Management Policy Statement:

NERAMAC is operating in the sector which is highly risk driven due to perishable nature of product line, price sensitive market and emerging market competition. Hence informed, diligent and risk assessed business dealings form an integral part to ensure sustainability and growth in the long run. Taking this into account the Corporation has adopted the following Risk Policy Statement:

"Strive continuously to identify, evaluate, report and mitigate existing as well as potential risks related to the business of the Company."

3. Objective and scope of risk management:

The policy shall be guided by the following prime objectives:

1. Common understanding of the existing and potential risk associated with the business from various sources;
2. To internalise risk management as integral part of the business rather than stand alone system;
3. Devising framework for early detection and mitigation of identified risks;
4. Reporting if a risk manifests itself and mitigation measures adopted

Type of risk	Internal Factors	External Factors
	spices/ other items subject to this <ul style="list-style-type: none"> • Shelf life of product • Theft 	climatic conditions/ rain damage
Market	<ul style="list-style-type: none"> • Pricing for the market • Market knowledge • Product Development/ Product diversification 	<ul style="list-style-type: none"> • Type of Market System • Competitors/ Pricing • Customer preferences
Finance	<ul style="list-style-type: none"> • Liquidity 	<ul style="list-style-type: none"> • Inflation
Human Resource	<ul style="list-style-type: none"> • Organization culture • Employee relations • Talent retention 	<ul style="list-style-type: none"> • Societal culture • Demand for talent
Technology	<ul style="list-style-type: none"> • Selection of Technology • Acquisition of Technology • Deployment of Technology 	<ul style="list-style-type: none"> • Technology obsolescence • Regulatory framework/ compliance
Cyber security	<ul style="list-style-type: none"> • Failure of IT Systems • Security breach • Unauthorised access 	<ul style="list-style-type: none"> • Cyber attacks • Malware/ computer viruses, phishing

5.2. Risk Evaluation: Identified risks need to be examined to understand its consequences on the business and estimation of future course of action including measures for mitigation. Risk Evaluation process primarily examines the detailed description of the identified risks and estimation of the impacts it may cause to the business.

5.3. RISK MANAGEMENT: Risk Management process is identified as integral part of all strategic decisions of NERAMAC. It is a continuous and developing process covering the organization's strategic decision process and its implementation. It will address systematically all perceivable risks across verticals in the Company arising both out of internal and external factors. Risk Management Process largely covers the **examining the identified risks, developing mitigation plans and making decisions** based on the results of former two factors.

5.3.1. Risk Mitigation: Identified risks can be mitigated by adopting the following measures:

Avoid: Avoid risk that involve a high probability impact for both financial loss and damage.

Transfer: Risks that may have a low probability for taking place but would have a large financial impact to be mitigated by being shared or transferred e.g. by purchasing insurance, outsourcing or forming partnership.

Management Committee (CRMC) shall identify, assess and implement the risk mitigation measures. In the above context, the Risk Management shall be initiated through following two sources:-

- i. Centralised Risk Management initiative
- ii. Manager /Zonal Managers Risk Management initiative.

7. Corporate Risk Management Committee (CRMC):

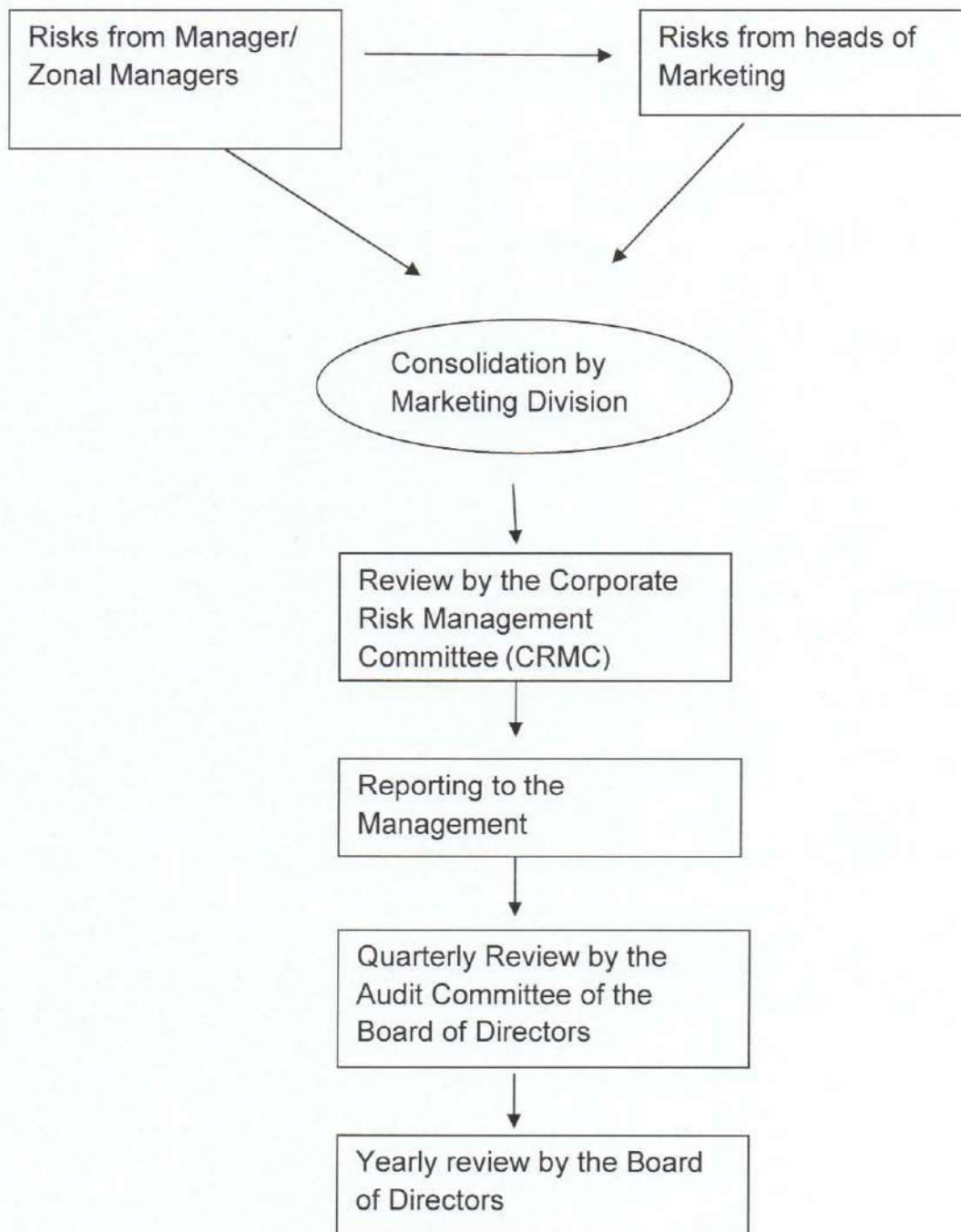
7.1 An Internal Risk Management Committee shall be constituted to review and recommend the measures for identification, evaluation and mitigation of risks. The Committee shall consist of the Heads of the Marketing Divisions, Head of Finance & Accounts Division, Head of Personnel & Administration and Company Secretary and such other members as the management from time to time deemed fit to include. CRMC to be head by the Managing Director.

7.2 The role of RMC shall be to:

- ✓ Identify and update the areas of risk covering the Company as a whole
- ✓ Assess the current status of RM in the Company
- ✓ Qualify the risks reported by the Manager/ Zonal Managers and HoDs of Marketing
- ✓ Recommend mitigation measures for the identified risks
- ✓ Recommend the implementation of these measures
- ✓ Review the RM status every quarter
- ✓ Formulate suitable templates for risk management and reporting.
- ✓ Report to the management on the status of implementation of the Risk Management Policy periodically.
- ✓ Receive and review the inputs received from the Internal Auditors for Internal Control and Risk Management.

8. Approval of mitigation measures: The mitigation measures reviewed and recommended by the Risk Management Committee for the identified will be placed for approval before the Board of Directors through the Audit Committee of the Board. Fund requirements, if any, for the approved risk mitigation measures shall be met as per the existing delegation of powers in the Company.

Flow Chart of Risk Management Process Corporate level



2

FORM-2 (RISK MANAGEMENT POLICY)

**FORMAT FOR REPORTING THE STATUS OF RISK MANAGEMENT TO THE AUDIT
COMMITTEE OF THE BOARD OF DIRECTORS:**

Financial Year:

Quarter:

S.I. No.	Particulars transaction	of	Nature of Risk Identified	Identified impact of Risk	Remedial Action taken	Actual Impact assessment	Residual risk/risks remain untreated	Financial Loss, any

Managing Director

Form-1 (Risk Management Policy)

Reporting of transaction for risk assessment by the Corporate Risk Management Committee (CRCM)

- i. Name of the Department/Division:.....
- ii. Name of Zonal office (If Applicable) :
- iii. Name of the Reporting Manager.....
- iv. Brief particulars of transaction :

Name of the Party	Nature of Transaction	Amount of transaction	Advance/Security deposit, if any

- v. Risk Factors Identified:

Name of the Party	Risk Area (Operations/Market /Finance/Others	Amount unsettled from previous transactions, if any	Dispute, legal case pending	Remarks

Name of the Manager

Designation

Signature

FORM-3 (RISK MANAGEMENT POLICY)

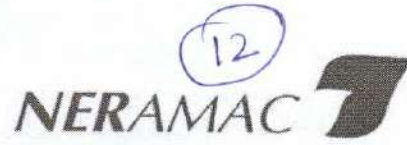
FORMAT FOR CONSOLIDATED REPORT TO BOARD OF DIRECTORS:

Financial year:

S.I. No.	Particulars of transaction	Nature of Risk Identified	Identified impact of Risk	Remedial Action taken	Actual Impact assessment	Residual risk/risks remain untreated	Financial Loss, if any (Rs.)
FIRST QUARTER :							
Remarks of Audit Committee:							
1.							
2.							
3.							
Action Taken by Management:							
1.							
2.							
3.							
S.I. No.	Particulars of transaction	Nature of Risk Identified	Identified impact of Risk	Remedial Action taken	Actual Impact assessment	Residual risk/risks remain untreated	Financial Loss, if any (Rs.)
SECOND QUARTER :							
Remarks of Audit Committee:							
1.							
2.							
3.							
Action Taken by Management:							
1.							
2.							
3.							
S.I. No.	Particulars of transaction	Nature of Risk Identified	Identified impact of Risk	Remedial Action taken	Actual Impact assessment	Residual risk/risks remain untreated	Financial Loss, if any (Rs.)
THIRD QUARTER :							

Remarks of Audit Committee:							
1.							
2.							
3.							
Action Taken by Management:							
1.							
2.							
3.							
S.I. No.	Particulars of transaction	Nature of Risk Identified	Identified impact of Risk	Remedial Action taken	Actual Impact assessment	Residual risk/risks remain untreated	Financial Loss, if any (Rs.)
FORTH QUARTER :							
Remarks of Audit Committee:							
1.							
2.							
3.							
Action Taken by Management:							
1.							
2.							
3.							

Copy of Quarter Reports submitted to Audit Committee enclosed.



उत्तर-पूर्वी क्षेत्रीय कृषि विपणन निगम लिमिटेड

(भारत सरकार का उपक्रम)

NORTH EASTERN REGIONAL AGRICULTURAL MARKETING CORPORATION LTD.

(A Government of India Enterprise)

EXTRACT FROM MINUTES OF THE 147th MEETING OF THE BOARD OF DIRECTORS OF NORTH EASTERN REGIONAL AGRICULTURAL MARKETING CORPORATION LTD (NERAMAC) HELD ON FRIDAY, THE 24 DAY OF MARCH, 2023 AT THE REGISTERED OFFICE OF THE COMPANY AT 9, RAJBARI PATH, G.S. ROAD, GANESHGURI, GUWAHATI-781003, ASSAM THROUGH VIDEO CONFERENCING MODE AT 04:30 PM

ITEM NO. 6: TO APPROVE THE RISK MANAGEMENT POLICY OF NERAMAC LTD

Resolution no. 08/147/2023

"RESOLVED THAT the draft Risk Management Policy as laid before the meeting be and is hereby approved"

"RESOLVED FURTHER THAT the Managing Director be and is hereby authorized to implement the policy and to do all such acts, deeds and things as considered necessary and connected therewith.

Certified to be true

On and Behalf of the Board of Directors

Sanjiv Kumar Rai
Company Secretary

Date: 12/05/2023

Place: Guwahati

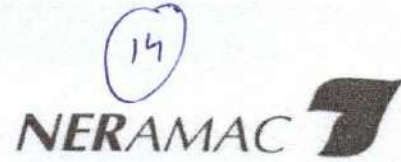


Registered Office : #9, Rajbari Path, G.S. Road, Ganeshguri, Guwahati-781005, Assam, India

CORPORATE IDENTITY NUMBER : U01409AS1982GOI001932

Tele: +913612341427 Tele-fax: +91 03612341428 Website: www.neramac.com





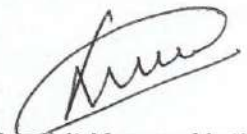
उत्तर-पूर्वी क्षेत्रीय कृषि विपणन निगम लिमिटेड
(भारत सरकार का उपक्रम)
NORTH EASTERN REGIONAL AGRICULTURAL MARKETING CORPORATION LTD.
(A Government of India Enterprise)

File No: 21/CS/RMP/251 / 86

Date: 17 May 2023

OFFICE ORDER

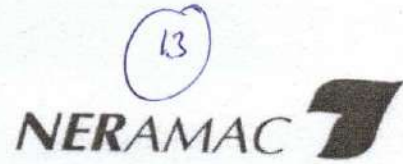
1. In the interest of public service, the undersigned is directed to forward herewith the Risk Management Policy of NERAMAC Ltd under Section 134(3) of the Companies Act, 2013. This policy has been approved in the 147th Board of Directors meeting held on 24 March 2023, vide resolution no 08/147/2023 dated 12 May 2023.
2. This shall be enforced w.e.f 17 May 2023. Therefore, all the employees of NERAMAC are requested to go through the policy and abide accordingly.
3. This is issued with due approval of Competent Authority.


Lachit Kumar Nath
AGM (P&A)

Copy to

1. PA to MD for your kind information
2. Notice Board, HO, Guwahati
3. All Zonal Office & units
4. Concerned File
5. 21/CS/RMP/251





उत्तर-पूर्वी क्षेत्रीय कृषि विपणन निगम लिमिटेड
(भारत सरकार का उपक्रम)
NORTH EASTERN REGIONAL AGRICULTURAL MARKETING CORPORATION LTD.
(A Government of India Enterprise)

ADMN/15/2015/P-III/81

Date: 17/05/2023

OFFICE ORDER

A Corporate Risk Management committee comprising the following members is hereby constituted to review and recommend the measures for identification, evaluation and mitigation of risks for with immediate effect and will remain in force till further orders:-

The Committee Members are:

- | | |
|--|---------------|
| a. Cmde Rajiv Ashok (Retd) (Managing Director) | - Chairperson |
| b. Mr. Anjal Kr Dutta (DGM - Agribusiness) | - Member |
| c. Mr. Sanjiv Rai (CS) | - Member |
| d. Mr. Himadri Kar - (AGM - F&A) | - Member |
| e. Mr. Sanjeev Das (AGM - Retail) | - Member |
| f. Mr. Anurag Kashyap (AGM - Bulk) | - Member |
| g. Mr. Lachit Kr Nath (AGM - P&A) | - Member |


Cmde Rajiv Ashok (Retd)
Managing Director

Copy to:-

1. PA to MD for kind information.
2. Persons Concerned.
3. Concerned file
4. File No: 21/CS/RMP/251



Registered Office : #9, Rajbari Path, G.S. Road, Ganeshguri, Guwahati-781005, Assam, India

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