



# **COMMITTED CARGO CARE LIMITED**

## **RISK MANAGEMENT POLICY**

### **BACKGROUND:**

Committed Cargo Care Limited (CCCL) is engaged in the business of Custom Brokerage, Freight Forwarding of General, Hazardous, AVI, HUM, Life Sciences, Perishable and time sensitive cargo. The business activities of the Company carry various internal and external risks.

‘Risk’ in literal terms can be defined as the effect of uncertainty on the objectives. Risk is measured in terms of consequences and likelihood. Risks can be internal and external and are inherent in all administrative and business activities. Every member of any organization continuously manages various types of risks. Formal and systematic approaches to managing risks have evolved and they are now regarded as good management practice also called as Risk Management.

‘Risk Management’ is the identification, assessment, and prioritization of risks followed by coordinated and economical application of resources to minimize, monitor, and control the probability and/or impact of uncertain events or to maximize the realization of opportunities. Risk management also provides a system for the setting of priorities when there are competing demands on limited resources.

The said policy is approved in the Board Meeting dated 2<sup>nd</sup> March, 2023.

### **1. REGULATORY:**

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 which shall inter alia include evaluation of risk management systems.

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.

### **2. APPLICABILITY:**

This Policy applies to all the areas of the Company's operations.

### **3. RISK FACTORS:**

The objectives of the Company are subject to both external and internal risks that are enumerated below: -



#### **a) External Risks factors:**

- Economic Environment and Market conditions,
- Political Environment,
- Competition,
- Revenue Concentration and liquidity aspects,
- Inflation and Cost structure,
- Technology Obsolescence,
- Legal (Statutory Compliances),
- Fluctuations in Foreign Exchange.

#### **b) Internal Risk Factors:**

- Project Execution,
- Contractual Compliance,
- Operational Efficiency,
- Hurdles in optimum use of resources,
- Quality Assurance,
- Environmental Management,
- Loss of key personnel,
- Financial,
- Culture and values.

### **4. RESPONSIBILITY FOR RISK MANAGEMENT:**

Generally, every staff member of the Organization is responsible for the effective management of risk including the identification of potential risks. Management is 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.

### **5. RISK MITIGATION:**

Risk mitigation handling options include:

- **Assume/Accept:** Acknowledge the existence of a particular risk, and make a deliberate decision to accept it without engaging in special efforts to control it. Approval of project or program leaders is required.
- **Adjustment:** Adjust program requirements or constraints to eliminate or reduce the risk. This adjustment could be accommodated by a change in funding, schedule, or technical requirements.
- **Control:** Implement actions to minimize the impact or likelihood of the risk.
- **Transfer:** Reassign organizational accountability, responsibility, and authority to another stakeholder willing to accept the risk.
- **Watch/Monitor:** Monitor the environment for changes that affects the nature of the risk.

Each of these options requires developing a plan that is implemented and monitored for effectiveness.



**6. REVIEW:**

This Policy shall be reviewed at least every year to ensure it meets the requirements of legislation and the needs of organization.

**7. AMENDMENT:**

This Policy can be modified at any time by the Board of Directors of the Company.