JINDAL WORLDWIDE LIMITED

RISK MANAGEMENT POLICY

As Amended w.e.f. 01st April, 2021

{In Board Meeting dated 22nd June, 2021}

In pursuant to Companies Act, 2013 & SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments thereof

1) PREAMBLE AND APPLICABILITY:

This 'Risk Management Policy' has been formulated in pursuance to the Companies Act, 2013 & SEBI (LODR) Regulations, 2015 and subsequent amendments thereof.

The Company is operating in textile segment which itself is susceptible to certain kind of risks associated with textile industry and its different constituents. In order to mitigate these risks and to efficiently handle the various risks, Company has laid down a Risk Management Policy and the same was first made applicable with effect from 01st April, 2014 .

Further, in compliance with the day to day amendments in statutory provisions and in need to mitigate with the risks due to variabilities in the Business world and specifically in Textile Industry and considering the changing industry dynamics and evolving complexities, Jindal Worldwide Limited (hereinafter referred to as the "Company") has introduced a Revised 'Risk Management Policy' (hereinafter referred to as the "Policy") w.e.f 1st April , 2021 , in supersession of the previous Policy, as approved by the Board of Directors of the Company in its meeting held on 22nd June, 2021.

2) SCOPE:

Risk Management is a key aspect of Corporate Governance Principles and Code of Conduct which aims to improvise the governance practices across the business activities of any organization.

The purpose of formulation of this policy is:

a.) to ensure timely and accurate management of risk into the Company at all levels ,

b.) to provide a framework of practice and procedures for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risks,

c.) to make an effective assessment of the identified risks,

d.) to assure the minimization of the risks identified and assessed, and

e.) to set up appropriate measures for risk mitigation including systems and processes for internal control of identified risks so that the Company can respond to the complexities and challenges that keep emerging from time to time.

The Company further endeavors to assure for the best risk management practices to be followed throughout its all business levels in order to render the best quality products and services to its customers and that the same shall be in the best interest of the stakeholders.

Pursuant to Regulation 17 of the SEBI (LODR) Regulations, 2015, the Board of Directors shall be responsible for framing, implementing and monitoring the risk management plan for the Company.

3) RISK MANAGEMENT COMMITTEE:

The SEBI has notified SEBI (LODR) (Second Amendment) Regulations, 2021 vide SEBI Notification No. SEBI/LAD-NRO/GN/2021/22 dated 05th May, 2021 and has amended Regulation 21 of SEBI (LODR) Regulations, 2015 stating the requirement of constitution of Risk Management Committee by the Listed Entities covered under the ambit of top 1000 listed companies (based on market capitalization as at 31st March of every Financial Year) which was applicable to top 500 companies only earlier and details of which shall be disclosed in Annual Report & website of the Company. Accordingly, Jindal Worldwide Limited (the Company) stands at the 758th and 797th position amongst the top 1000 listed entities as per the NSE & BSE market capitalization, respectively, as on 31st March, 2021 and thus accordingly the aforesaid SEBI amendment has become applicable on the Company w.e.f. 05th May, 2021 itself, making it necessary for the Company to constitute Risk Management Committee.

Accordingly, the board of Directors in its meeting held on 22nd June, 2021 has approved for constitution of Risk Management Committee of the Company consisting of below listed Directors as members of the Committee w.e.f. 01st April, 2021:

Sr. No.	Name	Nature of Directorship	Designation in Risk Management Committee
1	Dr. Yamunadutt Agrawal	Non-Executive Non-Independent Director	Chairman
2	Mr. Vikram Oza	Non-Executive Non-Independent Director	Member
3	Mr. Shrikant Jhaveri	Non-Executive Independent Director	Member

The Committee shall have to perform all roles and responsibilities under Regulation 21 read with Part D of Schedule II of the SEBI(LODR) Regulations, 2015 and other such roles, duties and responsibilities as may be required from time to time and as may be directed by the Board of Directors of the Company.

4) RISK MANAGEMENT FRAMEWORK:

Risk management is a continuous process across the organization which is designed to identify, assess and frame a response to threats that affect the achievement of its objectives. It enables management to prepare for risks before they devolve to improve the operational effectiveness. Determination of the risk appetite allows management to deploy resources according to the need.

The Board , Audit Committee and Risk Management Committee of the Company plays a vital role in governing the regulations of Risk Management.

- The Board's role includes implementation and monitoring risk management plan, having in place, systems for risk management as part of internal controls ensures that the Independent Directors of the Company brings an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management,

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resources, key appointments, corporate governance and standards of conduct. They act as a guide to the company. Their roles broadly include improving corporate credibility and governance standards functioning as a watchdog, and playing a vital role in risk management.

- The Role of Audit Committee includes evaluation of internal financial controls and risk management systems.
- The Role of Risk Management Committee includes formulation and implementation and reviewing of Risk Management Policy and ensuring that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company.

The success of the Risk Management Framework depends on the efforts taken to mitigate/ reduce either the probability or consequence of the risk/threat. Therefore considering the same, Company's Risk Management Framework includes following three key elements:

A. Risk Identification & Assessment

Risks are analyzed, considering likelihood and impact, as a basis for determining how they should be managed effectively. Risk Assessment consists of a detailed study of potential threats and vulnerability and resultant exposure to various risks & its constituents. To meet the stated objectives, effective strategies for exploiting opportunities are to be evolved and as a part of this, key risks exposed to the Company are identified and plans for managing the same are lay out. Moreover, risk assessment allows an entity to consider how potentially an event might affect the achievement of objectives.

Risk identification requires complete information of the organization, the economic & market conditions and external environment. Potential events that may affect the achievement of objectives are identified from internal or from external sources. Our Company is exposed to different types of risks that can be classified into various categories based on their nature, impact, source of their origin and core aspects.

The company has well-defined systems and policies in place to ensure prudent risk management across all businesses and functions. It is exposed to industry risk factors such as competition, economic cycle variables, and uncertainties in the international and domestic markets, and credit risk. The Company's risk management system is a multi-layered process involving the entire organisation, right from the Board of Directors to the risk operators. The risk management committee oversees this entire process.

B. Risk Management and Risk Mitigation

Risk management is an integral to the Company's strategy and for the achievement of long-term goals. The Company's risk-management mechanism ensures that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company including evaluation of adequate risk management systems. After the risks have been identified, risk management attempts to lessen their effect. The basic objective of risk management is to minimize the negative effects of risks that can

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affect the financial results and capital of a Company. Because when it comes to do 'business', obviously what comes first is 'risk' and the business can be success, only if there is a strong Risk Management Process in place. It means that an effective risk management system covers all embedded risk areas.

The Company firmly believes that to ensure effective risk management, there ought to be risk management plans to handle the risks based on the priorities and challenges of the business. The factors involved in identified risks must be considered and the accuracy of assessment is very important. This implies, if proper risk management is implemented as a best practice then massive capital losses can be prevented.

Risk Mitigation for the Company is the selection and implementation of controls (taking actions) to reduce risk to a level acceptable to management. It is an exercise by the Company aiming to reduce the loss or damage arising out of various risk exposures.

C. Risk Monitoring:

The Company's risk monitoring process, tracks and evaluates the levels of risk throughout the organization and as well as monitoring the risk itself, the discipline tracks and evaluates the effectiveness of risk management strategies. It further ensures to keep a track of the identified risks, monitoring residual risks and identifying new risks, ensuring the execution of risk plans, and evaluating their effectiveness in reducing risk.

5) CLASSIFICATION OF MAJOR RISK(S) EXPOSED TO THE COMPANY, ITS IDENTIFICATION, ASSESSMENT AND MITIGATION STRATEGY:

Classification of Risk	Identification & Assessment	Impact	Risk Management & Mitigation Strategy
a.) Credit Risk	Credit risk denotes the volatility of losses on account of credit exposures in two forms: the loss in the value of the credit asset and the loss in the earnings from the credit. The default in repayment can be intentional or due to factors beyond the control. It also includes the risks in settlement of dues/outstanding by dealers and customers and provisions of bad and doubtful debts.	Credit Risk put a significant impact on cash flows of the Company.	To mitigate the Credit Risk which may exposed to Company, the Company has separate finance department with functional head who regularly reviews the Credit Risk and allied factors. The said department constantly makes efforts to upgrade the credit rating and credit worthiness of the Company. To facilitate the same, meeting with different lenders are organized at regular intervals to get their valuable feedback and to rectify the deficiencies, if found. The Systems are put in place for assessment of credit worthiness of the dealers and customers. Proper provisions are made for bad and doubtful debts. Credits are given to the customer only after taking their proper feedback reports and analyzing of their past track record, financial soundness from concerned Marketing Department. No credits are given to defaulter customer irrespective of quantum and size of order. Systems are in place for credit check to our regular /standard customers to whom we provide credit in normal routine and to check debtors list before shipping /delivering any order.

b.) Financial & Liquidity Risk	Financial risk is an umbrella term for multiple types of risk associated with financing, including financial transactions that include company loans in risk of default and inflation risk too. It may lead to loss of liquidity, falling assets value etc. Liquidity Risk reflects the possibility/ position that a party may have insufficient funds to settle an obligation for full value when due, but will have funds to cover settlement obligations on some unspecified date thereafter.	Interest rate fluctuations due to change in Government policies and Banks/financial Institutions Policies put a significant effect on cash inflows and outflows of the Company.	To mitigate the Financial and Liquidity Risk which may exposed to Company, Proper financial planning is put in place with detailed Annual Business Plans and Annual Budgets at appropriate levels within the organization. These budgets with Variance Analysis are prepared to have better financial planning and study of factors giving rise to variances. Cost Centers are prepared within the organization and an internal control prevails in the organization to minimize the variances. Cash flow statements are prepared on daily basis to analyze daily fund position along with proper sales analysis. To protect undue loss of interest and to utilize cash in an effective manner are some of the focused areas. Efforts are made to adhere the time bound schedule for statutory payments and other necessary payments irrespective of their nature and quantum. The Company has also well-defined internal control system conterminous to its nature of activities & business operations so as to safeguard its assets against loss from unauthorized use or disposition. Company constantly reviews its working capital limits and other term loans at regular frequent intervals to keep the financial position intact. Efforts are made to arrange finance at lower rate of interest with multiple banks so as to maintain proper liquidity and to bear any uncertain expenditure. Cash management services are also availed from Banks to avoid any loss of interest on collections.
c.) Legal & Political Risk	Legal Risk is defined as the risk of loss that arises from an unexpected application of law or regulation or change in any Policy /Rules /Regulations / tariff of Central /State Government or local body. Legal risk also originates from court disputes /litigations due to breach of contractual and legal obligations and consequently fines/ penalties imposed by certain Regulatory Bodies/Authorities. As the Company is	The regulatory landscape is evolving at a never seen before pace with increase in regulatory scrutiny. The expectations of various stakeholders vis-à-vis compliance is also on the rise. We understand that non-compliance with applicable laws could result in financial as well as reputational risk for the Company.	The Company has zero tolerance towards non-compliance. Changes in the regulatory environment are identified at the onset and their likely impact on the Company is evaluated well in advance to avoid any non-compliances. To mitigate the Legal risk, Company has an experienced team of professionals, which regularly reviews and complies with the requirements of various applicable laws and their regulations. Management places and encourages its employees to give opinion and discuss impact of all laws and regulations to ensure company's total compliance. Advisories and suggestions from professional agencies, local associations, Senior Advocates /Legal Counsels and industry bodies, Chambers of commerce etc. are taken as and when required and acted upon where relevant. To mitigate the Political Risk, the senior employees of the Company keep an intact eye with different government policies /rules /regulations, changes therein, relating to industrial, labour, investment,

	governed by various laws and the Company has to do its business within four walls of law, the Company is exposed to legal risk with the enactment of any new Law /new Taxation Structure Furthermore, the Political Stability i.e. Stable Government, if prevails in the Country, brings more consistency in the business and facilitate sound decision making in proximity of positive response /initiatives /subsidies /export incentives etc. from Government in societal interest.	An unsteady Political Government leads to frequent change in industrial policies/ taxation structures/ restrictions etc. which may adversely affect the investment and growth of an organization.	foreign exchange and taxation structures etc. The officials of Company proactively involves and represents the Company in different seminars /workshops /meetings /forums etc. organized by the Govt. Bodies /Chambers and Industrial Sector /Professional Institutes so as to make them aware about the difficulties so caused or about any potential threat to the industry about any proposed action of any Statutory enactment or any regulations.
d.) Business Operational Risk	The business operational risk is associated with economic and market conditions, cut throat competitions at local as well as at international level, introduction of new players in textile markets, labour turnover, power, logistics, demand & supply risks, latest technologies, techniques required to upgrade plants, boiler house, machines, equipments, Un-interrupted availability of raw material at competitive prices so as to avoid production loss, maintenance of quality and to harmonize production for completing the orders in time as well.	It impact to pricing/costing of particular product(s) and its blend(s). Increase/frequent changes in raw material prices may impact profitability resulting in lower margins. New designs, innovative textile products, developing new customers residing in different countries carrying lots of choice, ideas may also constitute operational risk for the Company.	To mitigate the Business Operational Risk, proper policies & procedures are followed in relation to maintenance of inventories of raw materials, consumables, key spares and tools to ensure their availability for planned production programmes. In the main season, quality cotton is procured at best competitive rates from different parts of the country. Proper inventory control systems have been put in place. To adopt, Company has invested appropriate amount to upgrade its plants, machines, dye house and other equipments etc. to avoid any hindrance in the production and to upgrade its production line proficiently with latest technology and techniques. Demand and supply are external factors on which Company has no control, but Company plans its production and sales efficaciously from the experience gained in the past and from an on-going study and appraisal of the market dynamics, movement by competition, economic policies and growth patterns of different segments of users of company's textile products. Regular trainings programmes and workshops either in house or outside are organized /provided to technical staff and to other senior managers so as to make them aware about latest techniques and technologies. Company also explores new areas in which it may save power and energy. Employees are encouraged to make suggestions on

			innovations, cost saving procedures, free exchange of other positive ideas relating to manufacturing procedures etc. It fosters their confidence to cope with challenges. It is believed that a satisfied and committed employee will give his best and create an atmosphere that cannot be conducive to risk exposure. Labour problems, if any, are resolved by negotiations and mutual discussions amicably. It is a part of HR policy of Company to retain talented, honest and competent person in the workforce. The Company takes specific steps to reduce the gap between demand and supply by expanding its customer base, improvement in its product profile, delivery mechanisms and to unify its constituents. Although it is difficult to control fluctuations in yarn prices in international market, but by adopting better techniques in production and by making optimum use of all available resources potentially, somehow we are able to mitigate and to control its negative impact.
e.) Geographic & Environmental and Regulatory Risk	This is a risk to an investment in a specific disturbed geographic area. The disturbance may be at local level or may be at national /international level. Geographic Risk may also occur when the company sends a consignment through export to a place /country which has suffered natural disaster like declared war, earthquake, fire, flood or force majeure. The safety of environment is also important for us because of its ecological, economic or social significance to an ecosystem.	Violating environmental regulatory obligations may effect the overall production efficiencies adversely and also could lead to penal provisions.	The Company sincerely abides by a diverse set of laws and regulations and adheres to environmentally-conscious business models to deliver value holistically. To mitigate the Geographic Risk, Company take utmost care to invest or to provide material to any customer/company located in specific disturbed geographical area. In that case, Company generally deals either on letter of credit (LC) or on advance payment so as to avoid any blockage of its capital. Apart from it, proper Insurance covers are taken to avoid any mis-happening. To mitigate the environmental risk, the Company endeavors to protect the environment in all its activities, as a social responsibility. For control of water pollution, the Company has setup a Common Effluent Treatment Plant (CETP) for collecting, conveying, treating, and disposing of the effluents of the Plant /factory. Besides this, necessary equipments have already been installed to prevent air pollution and other kinds of pollution. Extensive plantation of trees around manufacturing plants is undertaken for green belt development. Company also obtained the necessary environmental clearances, if so required, in due course and respects the local law.
f.) Currency Volatility Risk i.e Foreign Exchange Risk	In foreign exchange, the risk is that a foreign central bank will significantly alter its monetary policy or other foreign	Since the Company also transacts in various foreign currencies therefore any	To mitigate the Foreign Exchange Risk which may exposed to Company, the Company is less dependent on import of different machines, equipment which are required to it for its business. Since the substantial portion of turnover of Company comprises of export turnover,

	exchange regulations so that it significantly affects one's currency trades	fluctuations in foreign currency may impact the margins of the Company. Fluctuations in currency may impact the cost of production and sales realization, owing to our import and export presence.	accordingly Company receives payment in different currency from its customers which may sometime involves substantial risk on account of adverse currency movements in global foreign exchange markets. Therefore Company generally trade on advance payments as far as possible. Further, proper follow ups are made with overseas customers so as to receive the payments in time bound schedule in order to have minimal foreign currency fluctuation risk. Besides this, we manage risk on account of foreign currency fluctuations through limited hedging of specific transactions with our Bankers. Without venturing into the speculative aspects of dealing in currency derivatives, we aim to cover foreseeable fluctuations with limited hedge cover so that moderate arbitrage efficiency is achieved against the existing borrowing rates of interest. The Finance Department of the Company time to time specifies transaction limits, execute, monitor and control such transactions. System is put in place to explore more alternatives to reduce this risk. Exposures to Foreign Exchange transactions are supported by LC's and Bank guarantees and proper steps are taken to protect undue fluctuations in rates etc.

6) BUSINESS CONTINUITY PLAN :

Business continuity management is a crucial subset of risk management. The Company ensures implementing the effective Risk Management by delineating business continuity processes and disaster management plans, for unforeseen exigencies and keeping the organization constituents well prepared for appropriately and adequately dealing with such circumstances, under eventuality of such happenings.

7) DISCLOSURES / AMENDMENTS:

The policy shall be communicated within the Company across all levels and shall be displayed on the website of the Company i.e. www.jindaltextiles.com.

Further, The Board of Directors after considering the recommendations of Risk Management Committee are empowered to amend this policy in whole or in part, at any time consistent with requirements of applicable laws, rules and regulations.

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