

Sheela Foam Private Limited

Risk Management Policy

Context Applicability, Compliance Requirements:

As per Section 134 of the Companies Act, 2013, the board of directors report must include a statement indicating development and implementation of a risk management policy for the company including identification of elements of risk, if any, which in the opinion of the board may threaten the existence of the company.

Purpose and Objective of Policy:

Risk management, by and large involves reviewing the operations of the Company followed by identifying potential threats to the Company and taking appropriate actions to address the most likely threats. This ensure sustainable business growth with stability through pro-active reporting, evaluating and resolving risk associated with the business of the company. The broad objective of the policy are:

- (I) Risk identification.
- (II) Risk assessment and reporting
- (III) Risk control.

Role of the Board:

The Board will undertake the following actions to ensure risk is managed appropriately:

- Framing, implementing and monitoring the risk management plan for the company that includes guidelines on risk identification, measurement and control, including adoption of cost reduction structures like Financial & Derivative instruments like Hedging, Options etc to be valued at fair value on each reporting date.
- Ensure that the appropriate systems for risk management are in place. Fix the limits of officials authorized to under take transaction/s;
- Ensure that Head of Departments shall be responsible for implementation of the risk management system as may be applicable to their respective areas of functioning and report to the Board;

For Sheela Foam Pvt. Ltd.



Managing Director

SHEELA FOAM PVT. LTD.

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- Participate in major decisions affecting the Company's risk profile. Be satisfied that processes and controls are in place for managing less significant risks;

- Internal Auditor to review the operational efficiency, assessing the internal control and safeguard of assets of the Company;

- Define the accounting policies for various transactions undertaken to mitigate the risk in respective fields, such policies follow the principle of prudence where expected loss are recognised and unrealized gain are not recognised;

- Ensure risk management is integrated into board reporting and annual reporting mechanisms.

For on behalf of Board of Directors

Sheela Foam Private Limited



(Rahul Gautam)

Managing Director

DIN-00192999