



Konstelec Engineers Limited

CONSULTING ENGINEERS & EPC CONTRACTORS

CIN: U45203MH1995PLC095011

Risk Management Policy

Approved and adopted vide Board resolution dated: 16/10/2023



RISK MANAGEMENT POLICY

INTRODUCTION:

Pursuant to the Clause 17(9) of the SEBI Listing Obligations and Disclosure Requirements, 2015 has made it mandatory for all listed entities to have properly laid down framework for Risk Management. Hence the Board of Directors at their meeting held on 16.10.2024 has finalised and approved the Risk Management Policy which identifies and evaluates various risk and mitigating efforts to resolve such risk. This policy broadly covers all the areas of operations of the Company.

Konstelec Engineers Limited (hereinafter referred to as “**KEL**” or “**The Company**”) is an EPC Contractor provides a wide range of services of Engineering design, Procurement, Operation and Maintenance, Construction and Commissioning, Project Management. The Company has specialization in offering integrated services for electrical, instrumentation and automation systems across a wide range of operations and applications. The Company is exposed to various internal as well as external factors. Therefore, the concerned department assess the risks in their areas of operation properly and determine the most economical way to avoid them entirely or reduce to a minimum level. This minimization of risk protects KEL’s interests, assets and employees.

BACKGROUND:

Risk management is attempting to identify and then manage threats that could severely impact or bring down the organization. Generally, this involves reviewing operations of the organization, identifying potential threats to the organization and the likelihood of their occurrence, and then taking appropriate actions to address the most likely threats.

As per the provisions of the LODR Regulations, a listed company shall lay down procedures to inform Board members about the risk assessment and minimization.

In today's challenging and competitive environment, strategies for mitigating inherent risks in accomplishing the growth plans of the Company are imperative. The common risks inter alia are; regulations, competition, business environment, technology, investments, retention of talent and expansion of facilities. As a matter of policy, these risks are assessed and steps as appropriate are taken to mitigate the same.

The board of the company shall form a subcommittee, which in turn monitors the risk management policy mentioned in the document from time to time and take necessary actions if required.

POLICY OBJECTIVES:

The objective of the policy is to enhance the capability of KEL to deal with all strategic and operational risk effectively through implementation of appropriate policies and facilitating the process of risk management. The policy will also define and document



the approach and the elements of framework that will be adopted in implementing the Risk Management in the Company.

RESPONSIBILITY OF RISK MANAGEMENT:

Overall responsibility of the Risk Management of the Company will be with the Board of Directors, Senior Executives and Heads of the respective department.

RISK MANAGEMENT FRAMEWORK AND PROCEDURE:

Risk Management framework is Comprised Primarily of Three Components

Risk Governance

Risk Identification

Risk Assessment, Control and reporting

Risk Governance:

Head of Departments of the company are responsible for the managing the risk on various parameters and ensuring implementation of appropriate risk management procedure.

Executives and Employees of the company shall be responsible for execution and implementation of various policies and procedures for mitigation or minimization of the risk in the organization at the department and operation level.

Board of directors and Senior Executives are responsible for risk management at the Corporate and strategic level.

Risk Identification:

On a periodic basis risk, external and internal risk factors are identified by the responsible heads of the department.

Risk Assessment, Control and Reporting:

On a periodic basis risk, external and internal risk factors shall be assessed by the responsible Head of the departments.

Head of the departments after assessing the risk shall be responsible for forming policies and procedures for mitigation or minimization of the risk and guiding Executives and Employees of the company for execution of policies and procedures.

Executives and Employees of the company shall report to the Head of department' for execution of risk policies and procedures followed for risk management in the organization.

All Head of department shall ensure that the risk management activities, as outlined in Company's Risk and Control Frameworks, are being undertaken in their areas of responsibility.



Head of departments shall formally report the same to the Board of director and Senior Executives through mechanisms such as operation reviews and committee meetings. Internal control shall be exercised through policies and systems to ensure timely availability of information that facilitate pro-active risk management.

ROLE OF BOARD:

The Board shall be responsible for overseeing and reviewing risk management across the Company, also board shall be responsible for the following reviews.

- Review of strategic risks arising out of adverse business decisions and lack of responsiveness to changes;
- Review of operational risks;
- Review of financial and reporting risks;
- Review of compliance risks;
- Review or discuss the Company's risk philosophy and the quantum of risk, on a broad level that the Company, as an organization, is willing to accept in pursuit of stakeholder value;
- Review the extent to which management has established effective enterprise risk management at the Company;
- Inquiring about existing risk management processes and reviews the effectiveness of those processes in identifying, assessing and managing the Company's most significant enterprise wide risk exposures;
- Review the Company's portfolio of risk and consider it against its risk appetite by reviewing integration of strategy and operational initiatives with enterprise-wide risk exposures to ensure risk exposures are consistent with overall appetite for risk; and
- Review periodically key risk indicators and management response thereto.

Board of directors, if necessary, may seek the help of or consultation of Experts either individual/firm outside of the company for the purpose of Risk Management.

DISCLOSURES ON WEBSITE:

The Company shall host this Risk Assessment and Minimization policy for the company on its website <https://konstelec.com/corporategovernance/policies> all such events or information which has been disseminated to the Stock Exchange under this Policy and such disclosures shall be hosted on the website of the Company for a minimum period of five years and thereafter as per the archival process followed by the Company.



AMENDMENTS TO THE POLICY:

The Board of directors, Sr. Management and Audit Committee of the Company shall periodically review the policy and monitor its implementation to ensure the risk minimization and smooth running of business operations.

For Konstelec Engineers Limited.

Sd/-
Biharilal Ravilal Shah
Managing Director
DIN: 00337318

S/d-
Amish Biharilal Shah
Whole Time Director
DIN: 01415766

Date: 16/10/2023
Place: Mumbai
