

ABM INTERNATIONAL LIMITED

RISK MANAGEMENT POLICY

1. Background and Regulatory Provisions

- 1.1 ABM International Limited is one of the importers of plastic raw materials and in particular PVC Resin, finished leather, DOP, Urea etc from all over the world. ABM International Limited is having registered office in New Delhi and is listed on the Delhi Stock Exchange Limited (DSE).
- 1.2 Import of goods involves various types of risk, like strategic risk, operational risk, Financial risks, Compliance-regulatory-legal risk, Reputational risk, Investment risk, interest rate risk, Market risk etc. which, if not managed properly, could lead to disruption in business and impact the attainment of main objectives of the organization. Risk management works towards identifying and managing threats that could adversely impact the organization. This involves reviewing operations, processes & procedures of the organization, identifying potential threats and likelihood of their occurrence, and taking appropriate actions to address the most likely threats.
- 1.3 Primary goal of risk management is to ensure that the enterprise's asset and liability profile, its trading exposures and its operational & business activities do not expose it to losses that threaten the viability of the enterprise. In all circumstances, all activities giving rise to risk must be identified, measured, managed and monitored. Therefore this document is intended to formulate a Risk Management Policy aimed at identification, evaluating and mitigating, monitoring and reporting identifiable risks.

2. Risk Management Policy, objectives and Framework

2.1 Risk Management Policy statement

- The Board of Directors of ABM International Limited shall be responsible for framing, implementing and monitoring the risk management plan. They shall further be responsible to periodically review the effectiveness of the risk management plan & activities and make appropriate changes as and when necessary to ensure that appropriate systems and controls in this regard are in place.

- Therefore Company have in place a comprehensive risk management and reporting process, including appropriate board and senior management oversight and the process shall take into account appropriate steps to comply with applicable regulatory rules, regulations, principles and guidelines and to ensure the adequacy of relevant risk reporting to the supervisory and Board.

2.2 Objectives of the Risk Management Policy

The main objective of this policy is to ensure sustainable business growth with stability and to promote a pro-active approach in reporting, evaluating and resolving risks associated with the business. In order to achieve the key objective, the policy establishes a structured and disciplined approach to Risk Management, in order to guide decisions on risk related issues.

The specific objectives of the Risk Management Policy are:

- To ensure that all the current and future material risk exposures of the company are identified, assessed, quantified, appropriately mitigated, minimized and managed i.e to ensure adequate systems for risk management.
- To establish a framework for the company's risk management process and to ensure its implementation.
- To enable compliance with appropriate regulations, wherever applicable, through the adoption of best practices.
- To assure business growth with financial stability.

2.3 Delegation to Audit Committee

- For ease of operation Board may delegate the task of framing and monitoring of Risk Management Plan to Audit Committee who in turn will report and update Board on periodical basis.
- Audit Committee shall act as sub-committee of respective Board and minutes of sub Committee meetings shall be presented to respective Board in its immediately succeeding meeting.
- Audit Committee shall be responsible for "decision making and escalation".

3. ROLE OF THE BOARD

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

- The Board ensure that the appropriate systems for risk management are in place.
- The independent directors shall help in bringing an independent judgment to bear on the Board's deliberations on issues of risk management and satisfy themselves that the systems of risk management are robust and defensible;
- Participate in major decisions affecting the organization's risk profile;
- Have an awareness of and continually monitor the management of strategic risks;
- Be satisfied that processes and controls are in place for managing less significant risks;
- Be satisfied that an appropriate accountability framework is working whereby any delegation of risk is documented and performance can be monitored accordingly;
- Ensure risk management is integrated into board reporting and annual reporting mechanisms;
- Convene any board-committees that are deemed necessary to ensure risk is adequately managed and resolved where possible.

4. Policy Review

This policy shall be reviewed at a minimum at least every year to ensure it meets the requirements of legislation & the needs of organization.

5. APPLICATION

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