

THE PHOSPHATE COMPANY LIMITED

Registered Office:-14 Netaji Subhas Road Kolkata-700001
CIN NO.L24231WB1949PLC017664

RISK MANAGEMENT POLICY

Preamble:

Risk is inherent in all business activities. Every employee of the Company in one way or the other manages risk from his or her perspective. It is well accepted that adoption of a structured and formal approach to risk management with defined responsibility will improve decision-making capability and thus enhance outputs.

The risk management policy is aimed to mitigate risk and not eliminate risks involved in almost all business activities engaged in optimising opportunities by minimize adversity. Charter of an Effective Risk Management Policy is based on:

- A strategic focus and clear planning.
- Forward thinking and active approaches to management.
- Balance between the cost of managing risk and the anticipated benefits.
- Contingency planning in the event of critical threats and realise Company mission.

Risk management also provides a system for the setting of priorities when there are competing demands on limited resources.

A risk management policy statement is a formal acknowledgment of the commitment of the Board to risk management within the organization.

Policy Statement:

To use the best practices in risk management to support and enhance Company's activities, in all areas of the organisation.

To ensure that risk management is an integral part of all decision-making processes.

To use the risk management programme to minimise reasonably foreseeable disruption to operations, harm to people and damage to the environment and property.

To train people to implement risk management programme effectively.

Responsibilities:

The Whole-Time Director or any Director authorised by the Board is accountable to the Board for the implementation of the risk management process and ultimately responsible for the management of risks associated with the business. All other employees are responsible for managing risks in their associated areas and are ultimately accountable to the Whole-Time Director or any Director authorised by the Board in this behalf.

Process:

Risk Management process will be as under –

- Identify the Risks – This is the identification of the adverse events that may arise as the basis for further analysis.
- Analyse the Risks – This defines the existing controls and analyses of risks associated with the business. The analysis should consider the range of potential consequences and how likely those consequences are to occur. Consequence and likelihood are combined to produce an estimated level of risk.
- Evaluate the Risks – This is an assessment of estimated risk levels against a pre-determined criteria. This enables risks to be ranked and prioritized.
- Treat the Risks – For higher priority risks, the Company is required to develop and implement specific risk management plans including funding considerations. Lower priority risks may be monitored to eliminate at the first instance. Ignoring a lower priority risk may develop into a major one.
- Monitor and Review the Procedure– This is the oversight and review of the risk management system and any changes that might be required. Monitoring and reviewing occurs concurrently throughout the risk management process.
- Interaction – Appropriate interaction with internal and external stakeholders should occur at each and every stage of the risk management process including the process as a whole.
- Involvement – Everyone involved with the application of risk management should use this process for guidance.

Monitoring & Review:

The Board will monitor and review the implementation of the risk management programme.

The Whole-Time Director or any Director authorised by the Board will facilitate the development of a common risk management programme across all areas of business by:

- Implementing the risk management programme;
 - Sharing information with broad applicability across all areas;
 - Reporting on the progress of implementing the risk management programme to the Board.
-