



# HISAR SPINNING MILLS LIMITED

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August 01, 2015

To,  
The Corporate Relations Department  
The BSE Limited  
Department of Corporate Services  
Phiroze Jeejeebhoy Towers  
Dalal Street, Mumbai -400001

**Sub: Compliance of Clause 49 VI – Risk Management of the Listing Agreement.**

Dear Sirs,

We would like to inform you that the Company has adopted Risk Management Policy in compliance with clause 49 VI of the listing agreement.

Copy of the aforementioned code is attached. Kindly take the same on record and acknowledge the receipt.

Thanking you,

Yours faithfully,



For Hisar Spinning Mills Limited

Authorised Signatory

Encl.: As above

**HISAR SPINNING MILLS LIMITED**  

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**RISK MANAGEMENT POLICY**



## BACKGROUND

Pursuant to Clause 49 of the Equity listing agreement and SEBI Circular No. CIR/CFD/POLICY/CELL/2/2014 dated 17 April, 2014 and subsequently amended by Circular No. CIR/CFD/POLICY/CELL/7/2014 on 15 September, 2014, every listed company, except the companies having share capital not exceeding Rs. 10 Crore and Net Worth not exceeding of Rs. 25 Crore as on the last date of previous financial year and the companies listed exclusively on the SME and SME-ITP platforms, shall constitute Risk Management Committee for risk assessment and minimization thereof.

This document is intended to formalize a risk management policy, the objective of which shall be identification, evaluating, monitoring and minimizing identifiable risks.

## OBJECTIVE AND PURPOSE OF 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:

1. 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.
2. To establish a framework for the company's risk management process and to ensure its implementation.
3. To enable compliance with appropriate regulations, wherever applicable, through the adoption of best practices.
4. To assure business growth financial stability.

## IMPLEMENTATION

This policy is in compliance with the amended Clause 49 of the Listing Agreement (w.e.f. 1<sup>st</sup> October, 2014) which requires the Company to lay down procedure for risk assessment and procedure for risk minimization.

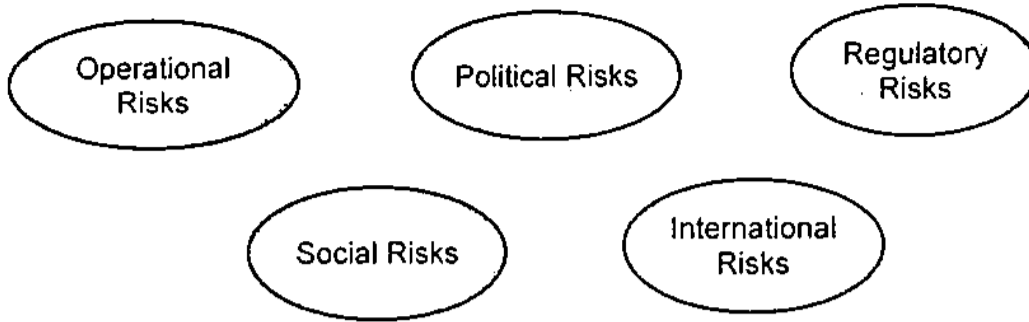
## IDENTIFICATION OF RISKS

Risk can minimize only after the identification, or we can say unless we identified the risk, it cannot be minimized. So the first moto of the Risk management Policy is to identify the risks.

In Hisar Spinning Mills Limited, risk can be identified by any director, employee, shareholders, debtors, creditors, bankers, connected agencies. They can report the identified risks to the concerned department. Immediately after the reporting of the risks, departmental head and entire team of the department shall accumulate the information pertaining to the identified risks and evaluate the risks.



## KIND OF RISKS



The risks can be further categorized as

- (1) Minimal
- (2) Moderate
- (3) Extreme

Priority should be given to the extreme risks, which will be more dangerous and the company will have short time to overcome/minimize the said risks.

### MANAGEMENT OF THE RISKS

All the risks should be reported to the departmental heads and they will further intimate to the Risk Management Committee. In extreme cases all the concerned department head will report immediately to any member of Risk Management Committee for further consideration of Audit Committee and Board of Directors. The Risk Management Committee constituted under this policy is defined in later part of the policy.

The Board of Directors will consider the risk reported by the Risk Management Committee and the Audit committee of the company. The management will take the necessary action on the reported risk and will do the best for minimization of the risks.

### CONSTITUTION OF RISK MANAGEMENT COMMITTEE

The risk management committee consists of the following officials of the company:

1. Mr. Anurag Gupta, Executive Director
2. Mr. Vikas Gupta, Non Executive Independent Director.
3. Mr. Sharad Goel, Chief Financial Officer

The Risk Management Committee or any members of the committee will consider the matter reported by the concerned department heads and the Risk Management Committee and their members can own identify the risks and will advice to the management to minimize risk.

The Risk Management Committee can meet any number of times for consideration and providing the corrective action of risks to the management.

### APPLICATION

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



## ROLE OF THE BOARD

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

1. The Board shall be responsible for framing, implementing and monitoring the risk management plan for the company.
2. The Board shall define the roles and responsibilities of the Risk Management Committee and may delegate monitoring and reviewing of the risk management plan to the Committee and such other functions as it may deem fit.
3. Ensure that the appropriate systems for risk management are in place.
4. 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.
5. Participate in major decisions affecting the organization's risk profile.
6. Have an awareness of and continually monitor the management of strategic risks
7. Be satisfied that processes and controls are in place for managing less significant risks.
8. Be satisfied that an appropriate accountability framework is working whereby any delegation of risk is documented and performance can be monitor accordingly.
9. Ensure risk management is integrated into Board reporting and annual reporting mechanisms.
10. Convene any Board-Committees that are deemed necessary to ensure risk is adequately managed and resolved where possible.

## AMENDMENTS

Any subsequent amendments/modification in the listing agreement and/or other applicable laws in this regard shall automatically apply to this policy. This policy can be amended any time by the Board of Directors of the company.

