



SEAWAYS SHIPPING AND LOGISTICS LIMITED

RISK MANAGEMENT PLAN

1. PREAMBLE:

The Board of Directors has adopted the following plan and procedures with regard to risk management. This document lays down the framework of Risk Management at Seaways Shipping and Logistics Limited (hereinafter referred to as the 'Company' or 'SLL') and defines the plan for the same. It seeks to identify risks inherent in any business operations of the Company and provides guidelines to define, measure, report, control and mitigate the identified risks.

2. OBJECTIVE:

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

3. DEFINITIONS:

- "Audit Committee" means Committee of Board of Directors of the Company constituted under the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- "Board of Directors" or "Board" in relation to a Company, means the collective Body of Directors of the Company. [Section 2(10) of the Companies Act, 2013]
- "Plan" means Risk Management Plan.
- "Listing Regulation" means SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

4. GOVERNANCE FRAMEWORK:

Risk Management Plan is framed as per the following regulatory requirements:

4.1 Regulations of the Listing Regulation:

- i. Regulation 4 (2) f (ii) Key Functions of the Board

The Board should fulfill certain key functions, including:



- Reviewing and guiding corporate strategy, major plans of action, risk plan, annual budgets and business plans, setting performance objectives, monitoring implementation and corporate performance, and overseeing major capital expenditures, acquisitions and divestments.

- Ensuring the integrity of the listed entity's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards.

ii. **Regulation 17(7)** – Minimum Information to be placed before Board of Directors (Part A of Schedule II)

- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.

iii. **Regulation 18 Role of Audit Committee (Part C of Schedule II)** -The role of the Audit Committee shall include the following:

- Evaluation of internal financial controls and risk management systems;

- Regulation 17 - Board of Directors

A. The company shall lay down procedures to inform Board members about the risk assessment and minimization procedures.

B. The Board shall be responsible for framing, implementing and monitoring the risk management plan for the company.

4.2 COMPANIES ACT, 2013:

- Provisions of the Section 134(3)

There shall be attached to financial statements laid before a company in general meeting, a report by its Board of Directors, which shall include

- a statement indicating development and implementation of a risk management plan for the company including identification therein of elements of risk, if any, which in the opinion of the Board may threaten the existence of the company.



- Provisions of the Section 177(4)

Every Audit Committee shall act in accordance with the terms of reference specified in writing by the Board which shall, inter alia, include,

- Evaluation of internal financial controls and risk management systems.

- **Schedule IV [Section 149(8)]** - Code for Independent Directors

Role and functions:

The independent directors shall:

- help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
- satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;

5. CONSTITUTION OF RISK MANAGEMENT COMMITTEE:

Risk Management Committee shall be constituted by the Board, as and when required under the applicable Statutes, consisting of such number of directors (executive or non-executive) as the Board thinks fit. The Board shall define the roles & responsibilities of the Risk Management Committee & may delegate monitoring & reviewing of the risk management plan to the Committee & such other functions as it may deem fit.

6. RISK ASSESSMENT

To meet the stated objectives, it is imperative to make effective strategies for exploiting opportunities and as a part of this the Company has identified key risks and developed plans for managing the same.

7. RISK IDENTIFICATION:

In order to identify and assess material business risks, the Company defines risks and prepares risk profiles in light of its business plans and strategies. This involves providing an overview of each material risk, making an assessment of the risk level and preparing action plans to address and manage the risk.



Risks may be structured as follows for the purpose of their identification and evaluation:

Name of Risk	
Scope of Risk	Qualitative description of events with size, type, number etc.
Nature of Risk	Strategic, Operational, Financial, Hazard
Quantification of Risk	Significance & Probability
Risk Tolerance/ Appetite	Loss Potential & Financial Impact of Risk
Risk Treatment & Control Mechanism	a) Primary Means b) Level of Confidence c) Monitoring & Review
Potential Action for Improvement	Recommendations to Reduce Risk
Strategy & Plan Development	Identification of Function Responsible to develop Strategy & Plan

Material Risks on which the Company presently focuses can be broadly subdivided into Internal and External Risks.

8. RESPONSIBILITY, COMPLIANCE AND CONTROL:

Generally every staff member of the Organization is responsible for the effective management of risk including the identification of potential risks. The Head of Departments and other Senior Management Persons in the Company at organizational levels under the guidance of the Board / Audit Committee are responsible for the development of risk mitigation plans and the implementation of risk reduction strategies. Risk management processes should be integrated with other planning processes and management activities.

The Company has established a compliance management system in the organization and the Company Secretary of the Company being the focal point will get the quarterly compliance reports from functional heads and place it before the Board for its perusal.

9. GENERAL:

- The Board of Directors and the Audit Committee in their meeting shall at least once in every year review the risk management framework and effectively address the emerging challenges in a dynamic business environment and ensure that it meets the requirements of the applicable Laws and the needs of the Organization.



- The Audit Committee and Board of Directors shall have the power to modify, amend or replace this Plan in part or full as may be deemed fit from time to time in their absolute discretion as far as it is not in contravention of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- In case of any inconsistency between any of the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 / the Companies Act, 2013 and this Plan or in case of any omission of any of the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 / the Companies Act, 2013 in this Plan, the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 / the Companies Act, 2013, as amended shall prevail or be applicable, as the case may be.
- Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any other applicable law or regulation to the extent applicable to the Company.
- The risks outlined above are not exhaustive and are for information purposes only. Management is not an expert in assessment of risk factors, risk mitigation measures and in having a complete / proper management's perception of risks. The Management cautions the readers to exercise their own judgment in assessing various risks associated with the Company.

10. DISSEMINATION OF PLAN:

The Risk Management Plan shall be disclosed in the Annual Report of the Company, as per the provisions of laws in force. The plan shall also be uploaded on the website of the Company