

**JJ PV SOLAR LIMITED**

**RISK MANAGEMENT POLICY**

# JJ PV SOLAR LIMITED

(Formerly known as JJ PV Solar Private Limited)

**(CIN: U31200GJ2010PLC060541)**

**Registered Office:** Survey No. 236, Plot No. 2, N.H. 8-B, Village Veraval (Shapar), Tal. Kotda Sangani,  
Rajkot - 360024, Gujarat, India.

**Email:** [compliance@jjpvsolar.com](mailto:compliance@jjpvsolar.com) **Website:** [www.jjpvsolar.com](http://www.jjpvsolar.com)

**Phone:** +91 9313805780

## Background

Section 134(3) of the Companies Act, 2013 requires a statement to be included in the report of the Board of Directors ("Board") of JJ PV Solar Limited (the "Company"), indicating development and implementation of a risk management policy 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.

## Objective and Purpose

In line with the Company's objective towards increasing stakeholder value, a risk management policy has been framed, which attempts to identify the key events/ risks impacting the business objectives of the Company and attempts to develop risk policies and strategies to ensure timely evaluation, reporting and monitoring of key business risks.

## Policy

Our risk management approach is composed primarily of three components:

- Risk Governance;
- Risk Identification; and
- Risk Assessment and Control.

### Risk Governance:

- The functional heads of the Company are responsible for managing risk on various parameters and ensuring implementation of appropriate risk mitigation measures.
- The Board of Directors provides oversight and reviews the risk management policy from time to time.

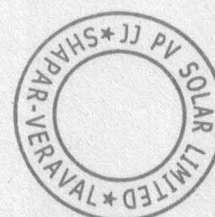
### Risk Identification:

- External and internal risk factors that must be managed are identified in the context of business objectives.

### Risk Assessment and Control:

This comprises the following:

- Risk Assessment and Reporting;
- Risk Control; and
- Capability Development.





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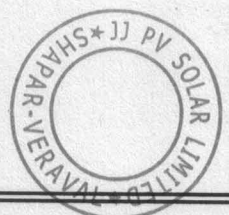
On a periodic basis risk, external and internal risk factors are assessed by responsible managers across the organization. The risks are identified and formally reported through mechanisms such as operation reviews and committee meetings. Internal control is exercised through policies and systems to ensure timely availability of information that facilitate pro-active risk management. Examples of certain of these identified risks are as follows:

- Broad market trends and other factors beyond the Company's control significantly reducing demand for its services and harming its business, financial condition and results of operations;
- Failure in implementing its current and future strategic plans;
- Significant and rapid technological change;
- Damage to its reputation;
- Its products losing market appeal and the Company not being able to expand into new product lines or attracting new types of investors;
- Its risk management methods and insurance policies not being effective or adequate;
- Fluctuations in trading activities;
- Changes in interest rates;
- Changes in government policies;
- Security risks and cyber-attacks;
- Insufficient systems capacity and system failures.

## Powers of the Board

The Board of Directors of the Company has the overall responsibility of overseeing and reviewing risk management across the Company. The terms of reference are as follows:

- 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;
- the extent to which management has established effective enterprise risk management at the Company;
- inquiring about existing risk management processes and review 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.



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## Roles and Responsibilities of the Board

- To formulate, review and amend, from time to time, a detailed risk management policy which shall include:
  - a. A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
  - b. Measures for risk mitigation including systems and processes for internal control of identified risks.
  - c. Business continuity plan.
- To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.
- To coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the Board of Directors.

