

ANANDRATHI

Anand Rathi Wealth Limited

Risk Management Policy

(Amended as on 20th March, 2023)

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Introduction

Anand Rathi Wealth Limited (ARWL) is wealth and distribution Services Company in India catering to the HNI as well as the Ultra HNI segments, offering various innovative financial products and investment solutions through dedicated Relationship Managers and have carved out a special niche for ourselves.

The Company considers ongoing risk management to be a core component of the Management of the Company, and understands that the Company's ability to identify and address risk is central to achieving its corporate objectives.

The Company's Risk Management Policy ("the Policy") outlines the program implemented by the Company to ensure appropriate risk management within its systems and culture.

The Policy is formulated in compliance with Regulation 17(9)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") and provisions of the Companies Act, 2013 ("the Act"), which requires the Company to lay down procedures about risk assessment and risk minimization.

Risk Assessment & Controls

ARWL has in place a robust and well defined risk assessment and control policy that drives its core business. ARWL has strong risk management framework where every employee of Anand Rathi Wealth Limited is actively responsible for risk management. The risk management process is self-evolving:

This Policy caters to both product/business specific guidelines and works within the overall risk.

Risk Management Program

ARWL's risk management program comprises of a series of processes, structures and guidelines which assist the Company to identify, assess, monitor and manage its business risk, including any material changes to its risk profile.

To achieve this, the Company has clearly defined the responsibility and authority matrix at various levels of management. Regular communication and review of risk management practice provides the Company with important checks and balances to ensure the efficacy of its risk management program.

The key elements of the Company's risk management program are set out below.

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.

The Company majorly focuses on the following types of material risks:

- Business risk including product risk;
- Sectorial risks;
- technology (including cyber Security) risks;
- human resource risks;
- Financial Risk;
- ESG related risks; and
- Legal/regulatory risks.

Oversight and management

Board of Directors

The Board of Directors ("the Board") is responsible for reviewing and ratifying the risk management structure, processes and guidelines which are developed and maintained by Committees and Senior Management. The Committees or the Senior Management may also refer particular issues to the Board for final consideration and direction.

Risk Management Committee

Company's risk management program has been conferred upon the Risk Management Committee. The Committee is responsible for ensuring that the Company maintains effective risk management and internal control systems and processes, and provides regular reports to the Board of Directors on the effectiveness of the risk management program in identifying and addressing material risk **in particular Business, financial, operational, sectorial, sustainability (particularly, ESG related risks), information, cyber security risks.**

Senior Management

The Company's Senior Management is responsible for designing and implementing risk management and internal control systems which identify material risks for the Company and aim to provide the Company with warnings of risks before they escalate. Senior Management

must implement the action plans developed to address material business risks across the Company and individual business units.

Senior Management should regularly monitor and evaluate the effectiveness of the action plans and the performance of employees in implementing the action plans, as appropriate.

Employees

All employees are responsible for implementing, managing and monitoring action plans with respect to material business risks, as appropriate.

Review of Risk Management Program

The Company regularly evaluates the effectiveness of its risk management program to ensure that its internal control systems and processes are monitored and updated on an ongoing basis. The reporting obligation of Senior Management and Committee ensures that the Board is regularly informed of material risk management issues and remedial actions. This is supplemented by the evaluation of the performance of risk management program, the Committee, the Senior Management and employees responsible for its implementation.

Risk Management System

The Company has always had a system-based approach to business risk management. Backed by strong internal control systems, the current risk management framework consists of the following elements:

- Well defined policies and procedures,
- Independent monitoring and reporting by Internal Audit.
- A combination of centrally issued policies and divisionally-evolved procedures

Amendment

Any change in the Policy shall be approved by the Board of Directors. The Board of Directors shall have the right to withdraw and / or amend any part of this Policy or the entire Policy, at any time, as it deems fit, or from time to time, and the decision of the Board in this respect shall be final and binding. Any subsequent amendment / modification in the Listing Regulations and / or any other laws in this regard shall automatically apply to this Policy.
