



Petro Carbon And Chemicals Limited  
(Formerly: Petro Carbon And Chemicals Private Limited)

Regd. Office:  
Avani Signature, 6th Floor  
91A/1, Park Street, Kolkata-700016

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Haldia Oil Refinery, Haldia - 721606  
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CIN U24110WB2007PLC120212

## RISK MANAGEMENT POLICY

### FRAMEWORK

- Risk Management is a key aspect of the “Corporate Governance Principles and Code of Conduct” which aims to improvise the governance practices across the Company’s activities. Risk management policy and processes will enable the Company to proactively manage uncertainty and changes in the internal and external environment to limit negative impacts and capitalize on opportunities.
- This Policy is applicable to all channel of businesses, all level within the organisation. This Policy applies to the Directors, employees and all other stakeholders of the Company.

### OBJECTIVE & PURPOSE OF POLICY

- The main objective of this Policy is to endeavour 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 endeavour that all the current and future material risk exposures of the Company are identified, assessed, quantified, appropriately mitigated, minimized and managed i.e. to endeavour adequate systems for risk management.
  2. To establish a framework for the Company’s risk management process and to endeavour its implementation.
  3. To enable compliance `with appropriate regulations, wherever applicable, through the adoption of best practices.
  4. To assure business growth with financial stability.

### Risk Categorisation

All the risks that have been identified shall be categorised under the following risk categories - Strategic, Operational, Reporting and Compliance risk.

- Strategic Risk - Risk of loss or opportunities resulting from business factors. These risks affect the achievement of strategic objectives and may affect overall enterprise value.
- Operational Risk - Risk of loss or opportunities resulting from inadequate or failed processes or new processes, people and information systems.
- Reporting Risk - Risk of inadequate internal or external reporting due to wrong financial as well as non-financial information in the reports.
- Compliance Risk - Risk of loss resulting from legal and regulatory factors.



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## **BACK GROUND AND IMPLEMENTATION**

- The Company is prone to certain inherent business risks. This document is intended to formalize a Risk Management Policy, the objective of which shall be identification, evaluation, monitoring and minimization of identifiable risks.
- This Policy is mandatory pursuant to Section 134 (3) (n) of Companies Act, 2013 for risk assessment and procedure for risk minimization.
- The Board of Directors of the Company and the Audit Committee shall periodically review and evaluate the risk management system of the Company so that the management controls the risks through properly defined network. Head of Departments shall be responsible for implementation of the risk management system as may be applicable to their respective areas of functioning and report to the Board and Audit Committee.

## **CONSTITUTION OF RISK MANAGEMENT COMMITTEE**

- Risk Management Committee shall be constituted by the Company consisting of such number of directors (executive or non-executive) as the Company 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.

## **APPLICATION**

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

## **ROLE OF THE BOARD**

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

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

## **REVIEW**

- This Policy shall be reviewed at a minimum at least every year to endeavour it meets the requirements of legislation & the needs of organization.