SINCE 1999

Tapi

Quality Commitment

TAPI FRUIT PROCESSING LIMITED

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RISK MANAGEMENT POLICY

TAPI FRUIT PROCESSING LIMITED SURAT

23/07/2022

❖ 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 Tapi Fruit Processing Limited ("Tapi" or 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.

Furthermore, Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations"), requires that the Company set out procedures to inform the Board of risk assessment and minimization procedures and makes the Board responsible for framing, implementing and monitoring the risk management plan of the Company.

❖ DEFINITIONS

The definitions of some of the key terms used in this Policy are given below:

"Audit Committee" means Committee of Board of Directors of the Company constituted under the provisions of the Companies Act, 2013 and SEBI LODR, 2015.

"Board of Directors" or "Board" in relation to a Company, means the collective body of Directors of the Company

"Policy" means Risk Management Policy.

"Risks" are events or conditions that may occur, and whose occurrence, if it does take place, has a harmful or negative impact on the achievement of the organization's business objectives. The exposure to the consequences of uncertainty constitutes a risk.

"Risk management Process" can be defined as the identification, assessment, and prioritization of risks followed by coordinated and economical application of resources to minimize, monitor, and control the probability and/or impact of unfortunate events or to maximize the realization of opportunities.

Any other term not defined herein shall have the same meaning as ascribed to it under the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ("Listing Regulations") or any other relevant regulation / legislation applicable to 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.

The policy forms part of TAPI's Internal control & Governance arrangements.

The policy explains TAPI's approach to risk management, documents the roles & responsibilities of the Board/ Audit Committee.

It also outlines the key aspects of the risk management process & identifies the reporting procedures.

This policy shall operate in conjunction with other business and operating / administrative practices.

❖ SCOPE & EXTENT OF APPLICATION

The policy guidelines are devised in the context of the present business profile, future growth objectives and new business endeavors/ services that may be necessary to achieve the goals & the emerging global standards & best practices amongst the comparable organizations. This policy covers all the events with in the company & events outside the company which have a bearing on the company's business.

❖ RISK MANAGEMENT APPROACH

Our risk management approach is composed primarily of three components:

- Risk Governance
- Risk Identification
- Risk Assessment and Control

RISK GOVERNANCE

• The functional heads of the Company are responsible for managing risk on various parameters and ensure implementation of appropriate risk mitigation measures.

• The Risk Management Committee 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
- ➢ Capability development

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

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