

## RISK MANAGEMENT POLICY

---

### I. BACKGROUND

DOMS Industries Limited (“the **Company**”) is principally engaged in the business of manufacturing and marketing of stationery and art material products in India and globally. The business activities of the Company are inherently exposed to various risks. ‘Risk’ in literal terms can be defined as the effect of uncertainty on business objectives. Risk may be internal as well as external.

A primary factor in a company’s ability to create sustainable value for all stakeholders is the risks that the company is willing to take at both operational and strategic levels and its ability to manage them effectively. Risk is inherent in a company’s operating environment and emerges on regular basis. Risk management does not aim at eliminating them, as that would simultaneously eliminate all chances of rewards and opportunities. Risk Management is instead focused at proactively assessing and analyzing the risk and taking precautionary steps through a pragmatic and effective risk management process.

Effective risk management requires:

- Strategic focus;
- Forward thinking and active approach to management;
- Balance between the cost of managing risk and anticipated benefits; and
- Contingency planning in the event that critical threats are realized.

In today’s challenging and competitive environment, strategies for mitigating inherent risks in accomplishing the growth plans of the Company are imperative.

### II. LEGAL REQUIREMENT

Risk Management is a key aspect of Corporate Governance Principles which aims to improvise the governance practices across business activities of any organisation. The Risk Management Policy (“**Policy**”) is formulated in compliance with Regulation 17(9)(b) & 21 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.

The Board of Directors of the Company (“**Board**”) shall form a Risk Management Committee (“**Committee**”) which shall frame a Risk Management Policy and periodically review it as per statutory timelines so that the management can control the risk through properly defined framework. The Board may re-constitute the composition of the Committee, as it may deem fit, from time to time.

### III. SCOPE OF POLICY

The main objective of this Policy is to ensure sustainable business growth with stability and to promote a pro-active approach in reporting, evaluating, and resolving risks associated with the Company’s business. In order to achieve this key objective, this Policy establishes a structured and disciplined approach to Risk Management, in order to guide decisions on risk related issues. The scope of the Policy shall cover all functions of the Company.

---

**Registered Office:**

J-19, Opp. Telephone Exchange,  
G.I.D.C., Umbergaon- 396171,  
Dist. Valsad, Gujarat, India.

**Website:**

[www.domsindia.com](http://www.domsindia.com)

**Corporate Office:**

Plot No. 117, G.I.D.C., 52, Hector Expansion  
Area, Umbergaon- 396171,  
Dist. Valsad, Gujarat, India.

**Tel:** (+91) 7434888445 / 446

**E-mail:** [info@domsindia.com](mailto:info@domsindia.com)

**Mumbai Office:**

17th Floor, C-Wing, Kailas Business Park,  
Hiranandani Link Road, Vikhroli (W)  
Mumbai- 400079, Maharashtra, India.

**Tel:** (+91) 7069028500 / 600

**Email:** [asst.admin@domsindia.com](mailto:asst.admin@domsindia.com)

#### IV. APPLICABILITY

This Policy is approved by the Board of Directors at their meeting held on December 02, 2023 and the said date shall be deemed to be the effective date of this Policy. The Policy shall apply to all areas of the Company's operations.

#### V. RISK MANAGEMENT PROGRAM

The Company's risk management program comprises of 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 of the Company's Board of Directors through its risk management committee to oversee and manage the risk, while conferring responsibility and authority on the Company's senior management to develop and maintain a risk management program in light of day-to-day needs of the Company. Regular communication and review of risk management practice provides the Company with important checks and balances to ensure efficacy of its risk management program.

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

##### 1. Oversight and management

###### 1.1. Board of Directors

The Board is responsible for reviewing and ratifying the risk management structure, processes and guidelines which are developed and maintained by the Committee and Senior Management.

###### 1.2. Risk Management Committee

The Committee shall function in accordance with the Terms of Reference which have been approved by the Board. The committee is responsible for guiding and supervising the senior management with respect to the following risk management activities:

- framing the risk management policy and reviewing the policy at least once in two years;
- managing and monitoring the implementation of action plans developed to address material business risks within the Company and its business units;
- setting up internal processes and systems to control the implementation of action plans;
- Ensuring that appropriate methodology, processes and systems are in place;
- regularly monitoring and evaluating the performance of management in managing risk;
- providing management and employees with the necessary tools and resources to identify and manage risks;
- regularly reviewing and updating the current list of material business risks in the risk registers;
- regularly reporting to the Board on the status of material business risks;
- focused review on emerging risks such as cyber security, framing business continuity plan, reviewing ESG performance and ensuring compliance with regulatory requirements and best practices with respect to risk management.

---

**Registered Office:**

J-19, Opp. Telephone Exchange,  
G.I.D.C., Umbergaon- 396171,  
Dist. Valsad, Gujarat, India.

**Website:**

[www.domsindia.com](http://www.domsindia.com)

**Corporate Office:**

Plot No. 117, G.I.D.C., 52, Hector Expansion  
Area, Umbergaon- 396171,  
Dist. Valsad, Gujarat, India.

**Tel:** (+91) 7434888445 / 446

**E-mail:** [info@domsindia.com](mailto:info@domsindia.com)

**Mumbai Office:**

17th Floor, C-Wing, Kailas Business Park,  
Hiranandani Link Road, Vikhroli (W)  
Mumbai- 400079, Maharashtra, India.

**Tel:** (+91) 7069028500 / 600

**Email:** [asst.admin@domsindia.com](mailto:asst.admin@domsindia.com)

### 1.3. 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.
- implementing the action plans developed to address material business risks across the Company and individual business units.
- regularly monitoring and evaluating the effectiveness of the action plans and the performance of employees in implementing the action plans, as appropriate.
- promoting and monitoring the culture of risk management within the Company and compliance with the internal risk control systems and processes by employees.
- reporting regularly to the Risk Management Committee regarding the status and effectiveness of the risk management program.
- focused review on emerging risks.

### 1.4. Employees

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

## 2. Risk Management System

The risk management framework shall comprise of the following elements:

- A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability, information, cyber security risks or any other risk as may be determined by the Committee.
- Analysis of the Root cause.
- Measures for risk mitigation including systems and processes for internal control of identified risks.
- Business continuity plan.
- Risk monitoring and management plan aimed at ensuring formulation of appropriate risk management policies and procedures, their effective implementation and independent monitoring and reporting.
- Appropriate structures put in place to effectively address risk mitigation and inherent risks in businesses.
- The Committee may refer particular issues to the Board for final consideration and direction.

2.1 Identification of internal and external risks: The Company shall evaluate qualitative and quantitative factors, likelihood and impact of the risk. Based on the framework the Company shall identify internal and external risks.

Internal risk includes:

- Operational risk includes risk of sustained distribution network growth, availability of raw material, process risk and development of products.
- Technology risk includes risk arising due to unauthorized breach of information network, innovation and obsolescence.

---

**Registered Office:**

J-19, Opp. Telephone Exchange,  
G.I.D.C., Umbergaon- 396171,  
Dist. Valsad, Gujarat, India.

**Website:**

[www.domsindia.com](http://www.domsindia.com)

**Corporate Office:**

Plot No. 117, G.I.D.C., 52, Hector Expansion  
Area, Umbergaon- 396171,  
Dist. Valsad, Gujarat, India.

**Tel:** (+91) 7434888445 / 446

**E-mail:** [info@domsindia.com](mailto:info@domsindia.com)

**Mumbai Office:**

17th Floor, C-Wing, Kailas Business Park,  
Hiranandani Link Road, Vikhroli (W)  
Mumbai- 400079, Maharashtra, India.

**Tel:** (+91) 7069028500 / 600

**Email:** [asst.admin@domsindia.com](mailto:asst.admin@domsindia.com)

- Finance risk includes risk arising on account of inadequate cash flow to meet financial obligations; misutilization or mismanagement of Capital; incorrect accounting or disclosure of Financial results.
- Strategic risk includes risk arising from political and social business environment, Competition, supply chain management and markets.
- Regulatory and Compliance risk includes compliance to Statues, rules and regulations, risk related to breach of Intellectual property rights ( IPR's) or unfair usage of our IPR's.
- Risk associated with health and safety of our personnel.

External Risk includes:

- Change in regulatory environment.
- Political risk, arising from change in political environment.
- Environmental, social and governance related risk.

## 2.2 Risk mitigation plan

The Company shall develop appropriate mitigation plan to the risk identified and actions to be taken with a view to managing risks and restricting the impact. Measures identified in Risk mitigation plan shall include systems and processes for internal control environment, timelines and standard operating procedure with a view to identify error and detect frauds.

The Company on an ongoing basis will maintain a risk and Control matrix (RACM), a repository of risks that pose a threat to an organization's operations, as well as the controls in place to mitigate those risks. The RACM shall serves as a snapshot of an organization's risk profile, measuring the organization's risks against the formalized actions taken.

## 2.3 Business Continuity plan

The Company shall also develop an action plan that shall cover recovery plans after any disruption. This plan shall along with the policy to ensure Company's preparedness to overcome the risks arising in identified situations and circumstances.

## 2.4 Review of risk monitoring and management program

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, assessing risk level, and preparing action plan to address and manage the risk.

The Company will regularly monitor and evaluate 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 division of responsibility between the Board, the Committee and the Senior Management aims to ensure that specific responsibilities for risk management are clearly communicated and understood.

The reporting obligation of Senior Management and risk management Committee ensures that the Board is regularly informed of material risk management issues and actions. This is supplemented by evaluating the performance of risk management program, the Committee, the Senior Management, and employees responsible for its implementation. Independent Internal Audit function shall provide assurance on the integrity and robustness of the risk management process on a quarterly basis.

---

**Registered Office:**

J-19, Opp. Telephone Exchange,  
G.I.D.C., Umbergaon- 396171,  
Dist. Valsad, Gujarat, India.

**Website:**

[www.domsindia.com](http://www.domsindia.com)

**Corporate Office:**

Plot No. 117, G.I.D.C., 52, Hector Expansion  
Area, Umbergaon- 396171,  
Dist. Valsad, Gujarat, India.

**Tel:** (+91) 7434888445 / 446

**E-mail:** [info@domsindia.com](mailto:info@domsindia.com)

**Mumbai Office:**

17th Floor, C-Wing, Kailas Business Park,  
Hiranandani Link Road, Vikhroli (W)  
Mumbai- 400079, Maharashtra, India.

**Tel:** (+91) 7069028500 / 600

**Email:** [asst.admin@domsindia.com](mailto:asst.admin@domsindia.com)

## VI. AMENDMENT

Any modification in the Policy shall be approved by the Board. The Board 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.

---

**Registered Office:**

J-19, Opp. Telephone Exchange,  
G.I.D.C., Umbergaon- 396171,  
Dist. Valsad, Gujarat, India.

**Website:**

[www.domsindia.com](http://www.domsindia.com)

**Corporate Office:**

Plot No. 117, G.I.D.C., 52, Hector Expansion  
Area, Umbergaon- 396171,  
Dist. Valsad, Gujarat, India.

**Tel:** (+91) 7434888445 / 446

**E-mail:** [info@domsindia.com](mailto:info@domsindia.com)

**Mumbai Office:**

17th Floor, C-Wing, Kailas Business Park,  
Hiranandani Link Road, Vikhroli (W)  
Mumbai- 400079, Maharashtra, India.

**Tel:** (+91) 7069028500 / 600

**Email:** [asst.admin@domsindia.com](mailto:asst.admin@domsindia.com)