



NORBEXI INDUSTRIES

Limited

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NORBEXI INDUSTRIES LIMITED

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CIN U63030MH2019PLC334896**

RISK MANAGEMENT POLICY

***Approved by Board of Directors at its meeting held
on 02nd January, 2026.***



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1. Background

Every business faces risks. A risk is anything that may affect the Company's goals, operations, profits, or reputation.

Risk Management means identifying possible risks in advance, understanding their impact, and taking proper steps to reduce or control them.

This Policy explains how the Company manages risks in a structured and practical way.

2. Legal Requirement

This Policy is prepared in accordance with:

- Section 134(3)(n) of the Companies Act, 2013
- Section 177(4)(vii) of the Companies Act, 2013

The Board of Directors is required to ensure that:

- Risks affecting the Company are identified.
- A proper system is in place to manage those risks.
- The Board's Report includes details of risk management.

The Audit Committee also reviews the effectiveness of the risk management system.

3. Purpose of This Policy

The main purpose of this Policy is:

- To ensure stable and sustainable growth of the Company.
 - To identify and manage risks before they become serious problems.
 - To protect the Company's assets, reputation, and financial health.
 - To comply with legal and regulatory requirements.
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4. Scope

This Policy applies to:



- All departments
- All business activities
- All employees
- All levels of management

5. Key Definitions (In Simple Terms)

Risk

Anything that may negatively affect the Company's business objectives.

Risk Assessment

The process of identifying and analyzing risks.

Risk Event / Trigger Point

An event that causes financial loss or disrupts business operations.

Risk Strategy

The Company's approach to handling risks (whether to avoid, reduce, accept, or transfer them).

Risk Management

The overall process of identifying, measuring, controlling, and monitoring risks.

6. Types of Risks

The Company faces two main types of risks:

A. External Risks

(Risks outside the Company's control)

1. **Economic and Market Conditions**
Changes in market demand, recession, or slowdown.
2. **Competition**
Entry of new competitors or aggressive pricing.
3. **Political Environment**
Changes in government policies or regulations.
4. **Revenue and Liquidity Risk**
Delays in project payments or uneven cash flow.



5. **Inflation and Cost Increase**
Rising material, labour, and operating costs.
6. **Technology Changes**
Risk of outdated technology affecting business.
7. **Legal Risk**
Risk of legal action or non-compliance with laws.
8. **Foreign Exchange Risk**
Fluctuation in exchange rates affecting imports or exports.

B. Internal Risks

(Risks within the Company)

1. Project execution delays
2. Contract compliance issues
3. Operational inefficiencies
4. Poor use of resources
5. Quality issues
6. Environmental concerns
7. Human resource challenges
8. Weak organisational culture or ethical issues

7. Risk Management Process

The Company follows these steps:

1. **Identify Risks**
Find possible risks in business activities.
 2. **Assess Risks**
Evaluate how serious the risk is and how likely it is to occur.
 3. **Control Risks**
Take steps to reduce or eliminate risks.
 4. **Monitor Risks**
Regularly review risks and take corrective action when required.
 5. **Report Risks**
Important risks are reported to senior management and the Board.
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8. Responsibility

- Every employee is responsible for identifying risks in their area of work.
- Management is responsible for preparing and implementing risk control plans.
- Senior Executives review risk management practices.
- The Board of Directors oversees the entire risk management system.
- The Audit Committee evaluates the effectiveness of the system.

9. Compliance and Internal Control

The Company maintains:

- Proper internal controls
- Regular review systems
- Monitoring of key risk areas
- Corrective actions when required

Senior management ensures that risk management is integrated into daily operations.

10. Review of the Policy

This Policy will be reviewed at least once every year or earlier if required due to changes in law or business conditions.

11. Amendment

The Board of Directors may amend or modify this Policy at any time.
