



IST Limited

Corporate Office:
A – 23, New Office Complex,
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RISK MANAGEMENT POLICY

I. Introduction

‘Risk’ in literal terms can be defined as the effect of uncertainty on the objectives. Risk is measured in terms of consequences and likelihood. Risks can be internal and external and are inherent in all administrative and business activities. Every member of any organization continuously manages various types of risks. Formal and systematic approaches to managing risks have evolved and they are now regarded as good management practice also called as Risk Management.

‘Risk Management’ is 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 uncertain events or to maximize the realization of opportunities. Risk management also provides a system for the setting of priorities when there are competing demands on limited resources.

IST Limited (IST) business activities present a range of risks that cannot be eliminated but can be managed. IST's policy is to strive to balance the risks and rewards in conducting business to optimise returns – in accordance with our goals of delivering shareholder value, and its commitments to customers, employees, the community and other stakeholders with an interest in IST.

II. Legal Framework

Section 134 (5) (e) of Companies Act, 2013 requires that, directors should provide a statement that, directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively. Further the Independent Directors shall satisfy themselves on the integrity of financial information, and that financial control and the systems of risk management are robust and defensible.

Also as per section 134 (3) (n), Board Report should include a statement indicating development and implementation of a risk management policy.

III. Applicability

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



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IV. SCOPE

Business risks – it is IST's policy to have a common framework across the company to identify, quantify, manage and monitor business risks. IST is committed to reinforcing effective business risk management as a key element in its strategic planning, decision making and execution of strategies.

Financial risks – IST follows principles and policies to manage financial risks, including exposures to foreign currencies, commodity prices, financing and interest rates. These policies are designed to provide a framework within which the exposures must be managed.

Integrity of accounting and financial reporting – the Board monitors risk management policies, procedures and controls to ensure the integrity of IST's financial reporting to stakeholders.

Compliance with the law – the Company maintains policies and procedures to ensure compliance with all legal requirements in the conduct of IST's business activities.

Other Risks includes Economy Risk, Competition Risk, Cyber Risk, Information Technology etc.

V. Responsibility for Risk Management

The Board is responsible for overseeing the establishment and implementation by management of risk management systems and reviewing the effectiveness of these systems. The Board has assigned responsibility to the following:

- Audit Committee – reviews and reports to the Board in relation to the Company's financial reporting, internal control structure, risk management systems, and the internal and external audit functions.;
- Management – responsible for identifying, managing, and reporting to the Board on, risks in accordance with the policy through a formal organization-wide risk management framework and other formal and informal risk-specific frameworks and approaches and the effective operation of internal control within the group; and
- Internal Audit – responsible for providing assurance to management and Committee about the effectiveness of processes to manage internal control and risk in accordance with an agreed annual plan.



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VI. Compliance and Control

- IST undertakes an annual review to evaluate the effectiveness of its compliance, control and risk management systems using the framework.
- An independent, external audit is performed on the annual financial report of IST.
- In addition, the external auditor undertakes a review of the quarterly financials of IST.
- This provides reasonable assurance as to whether the financial reports are free of material misstatement and provides an independent opinion whether the financial reports are presented fairly in accordance with accounting standards and other applicable professional reporting requirements.
- An independent, Internal audit is performed on the annual basis. The key responsibilities of Internal Auditor related to risk management shall include:
 - ✓ Implement a risk-based approach to planning and executing the internal audit process.
 - ✓ Internal audit resources to be directed at those areas which are key and/or significant as brought out periodically through the risk management process.

VII. Review

This policy will be reviewed from time to time by the Audit Committee of IST to ensure its effectiveness, continued application and relevance.

VIII. AMENDMENT

This Policy can be modified at any time by the Board of Directors of the Company.

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Note: This policy modified and approved by the meeting of Board of Directors held on 14th March 2023.