G. G. DANDEKAR PROPERTIES LTD.

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RISK MANAGEMENT POLICY

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1. Introduction

G. G. Dandekar Properties Limited (formerly known as G. G. Dandekar Machine Works Limited) is commercial real estate leasing company. The Company is prone to inherent business risks like any other organization. This document is intended to formalize a risk management policy the objective of which shall be identification, evaluating, monitoring, and minimizing identifiable risks.

2. Regulatory requirements

This is in compliance with companies Act, 2013, (the Act) requires the Board of Directors to disclose a statement in the Board's Report about development and implementation of a risk management policy for the Company including identification of elements of risk, if any which in the opinion of the Board may threaten the existence of the Company.

The audit committee is required to evaluate risk management system of the Company. Further the Act requires Independent Directors to satisfy themselves that the integrity of financial information, that financial controls and the systems of risk management are robust and defensible.

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Regulations) requires that the Board defines roles and responsibilities of Risk Management Committee which shall specifically cover cyber security, business continuity and report on Environmental, Social and Governance sustainability activities of the Company.

Accordingly, the Board of Directors (the Board) of the Company has adopted the "Risk Management Policy" (the Policy) which will come into effect from 09 August 2024.

3. Definitions

a) Risk

Any event / non-event, the occurrence/ non- occurrence of which can adversely affect the achievement of objectives of the Company. These threats may be internal or external to the Company. Risk also includes any uncertainty arising out of deficiency of information related to an event or consequence likely to have an effect on the objectives / existence of the Company.

b) Risk Management

A structured, consistent and continuous process for identifying, assessing, deciding on responses to and reporting on the opportunities and threats that may affect the achievement of our objectives.

c) Risk Owners

The persons who are directly responsible for identifying risk events, devising mitigation plans and monitoring the implementation of mitigation plans so as to

reduce the risks while achieving business objectives as set out in the Annual Business Plans. The Risk owners are identified /nominated by the Risk Management Committee (RMC).

d) Mitigation Plans

Measures (existing and proposed) to mitigate / monitor/ transfer the identified Risks.

e) Risk Reporting

Periodic reports to the RMC, the Audit Committee and the Board on risk management program, risk mitigations plans and their effectiveness.

4. Objectives of the Risk Management Policy

The objective of the Policy is to ensure the adequate systems for Risk management. The specific objectives of this Policy are:

- Develop and institute a robust system for identification, assessment, mitigation and management of current and future material risk exposures of the Company. Such exposures which are internal or external to the Company may be operational, financial, impacting sustainability, IT and cyber security related etc.
- Institute a framework for monitoring the actions plans for mitigation of risk exposures and for implementation of internal controls over risks identified.
- Monitor risks that may threaten existence of the Company / cause significant disruptions and institute a business continuity plan.
- Ensure that sound business opportunities are identified and pursued without exposing the business to an unacceptable level of risk.
- Establish a framework for the Company's risk management process and to ensure Companywide implementation.
- Enable compliance with appropriate Regulations, wherever applicable, through the adoption of the best practices.
- Assure sustainable business growth with financial stability.

5. Risk Management Framework

The Company has adopted a comprehensive Risk Management approach to identify and manage risks at enterprise level.

Through the framework, the Company plans to instil a risk aware culture across the Company and highlight areas of focus for management to make informed decisions to reduce the threats to the Company's business and growth objectives.

Level	Key Roles and Responsibilities
Board of Directors	Corporate governance oversight of risk management is performed by the Board of Directors. Following are broad responsibilities of the Board of Directors or Risk Management committee on behalf of the Board: 1) To formulate a detailed risk management Policy which shall include: • A framework for identification of risks with a special focus to financial, operational, sectoral, sustainability (including ESG related risks), information, cyber security risks. • Measures for risk mitigation including systems and processes for internal control of identified risks. • Business continuity plan. 2) To ensure that appropriate methodology, processes, and systems are in place to monitor and evaluate risks. 3) To monitor and oversee implementation of the Risk Management Policy, including evaluating the adequacy of risk management systems. 4) To periodically review the Risk Management Policy, at least once in two years, considering the changing industry dynamics and evolving complexity. 5) To keep the board of directors informed about the nature and content of its discussions, recommendations, and actions to be taken.
Key Managerial Personnel (Risk Owners)	1) Reviewing enterprise and business risks from time to time, initiating mitigation actions, identifying owners, and reviewing progress. 2) Formulating and deploying risk management policies 3) Providing updates to the Risk Management Committee and Board from time to time on the enterprise and business risks and actions taken.
Internal Audit & Risk Management Department	1) The department facilitates the execution of risk management practices in the enterprise, in the areas of risk identification, assessment, monitoring, mitigation and reporting. 2) Deploying mechanisms to monitor compliance with policies. 3) Providing periodic updates to Risk Management Committee and Board of Directors on top risks and their mitigation plans. 4) Working closely with owners of risk in deploying mitigation measures.
Business & Functional teams (Risk Mitigators)	1) Implementing action plans to mitigate risks at the unit level.

All Employees	1) Adhering to risk management policies and procedures. 2) Implementing prescribed risk mitigation actions. 3) Reporting risk events and incidents in a timely manner.

6. Risk Management Process:

Risk management process is the process followed by the Company for risk identification, risk rating, risk mitigation and review and monitoring of risk management activities. The risk management process at the Company covers the following:

Activity	Frequency
Risk identification.	Annually.
Review of select risk and status of risk mitigation plan as may be determined by the Board/ RMC/ Audit committee.	Half-yearly.
Review by the Board/ RMC/ Audit committee and deployment of Risk Management Policy.	Once in 2 financial years.

Identification and categorization of risks:

The aim of this step is to generate a Risk Register – a comprehensive list of risks based on events that impact (adverse or favourable) on achievement of objectives. It is important to identify the risks that may materialize in an event of loss of opportunities.

The risks may trigger from events internal or external to the organisation. The Company classifies such internal and external risks into following broad categories:

Risk Category	Description
Strategic Risk	These risks typically emanate from strategic decision of the Company concerning an organisation's objectives. Essentially, strategic risks are the risks of failing to achieve these business objectives. Eg. Governance risk, major initiatives (mergers/acquisitions), disruptions and business continuity, sustainability (particularly ESG related risks) investor relations, etc.
Operational Risk	Risks occurring due to inadequate or failed internal processes, gaps in people organisation, information systems and technology, or from external events that may not may be controlled. Operational Risks can be further classified in: People: Risks associated with Human Resources of the Company such as hiring and retention of the right talent, worker and labour management, attrition of key employees. IT: Failure or disruption of systems, cyber-attacks, information security, loss of critical data management and integration of business applications.

	Real Estate Activities: Risks arising out of business partners (extended enterprises) such as vendors, sub-contractors, fluctuations in commodity prices.
Financial Risk	Possibility of financial losses, reduction in profitability of the Company. Some more common financial risk includes working capital crunch, financial losses due to incorrect or no hedging, foreign exchange fluctuations etc.
Statutory/ Compliance Risk	Risk emanating from non-compliance of various statutory, regulatory, legal provisions and contractual obligations leading to penalties, litigations etc. This includes adherence to internal policies and industry standards.
Reputational Risk	Risk events that negatively impact brand's reputation and image in the marketplace. Damage to a Company's reputation can result in decreased revenues, failure to meet key business objectives, loss of market share, reduced shareholder value and in some cases, financial insolvency or bankruptcy. Common reputational risk events include misleading investors/public, ethical misconduct by employees, poor working conditions etc.

7. Risk Mitigation

Risk mitigation is the process of selecting and implementing of mitigation plans to mitigate /modify the risk. Based on the Company's risk appetite, a risk mitigation plan is defined by the risk owners for each identified risk.

8. Risk monitoring and review

The Company operates in a dynamic environment and hence it is necessary to regularly review, evaluate and update the Risk mitigation plan. The responsibility of risk monitoring and review lies primarily with the Board of Directors.

9. Risk Management structure

The risk management structure would involve the following:

The Role and responsibility of the above-mentioned stakeholders is as follows:

Board of Directors:

- The Board is responsible for supervision of risk management activities and implementation of adequate tools for risk management across the Company.
- The Board reviews the comprehensiveness and effectiveness of the Company's risk management activities on an annual basis.
- The Board includes a statement 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 in the Directors Responsibility statement.

Risk Co-ordinator CEO /Executive Director/ CFO:

As driver of Risk management activities, the CEO/ Executive Director will facilitate execution of risk management process and strengthen risk management infrastructure. The following will be key responsibilities of the CEO / Executive Director in respect of risk management:

- Support the Board, Audit and RMC to establish and communicate organisation's Risk management objectives.
- Develop and communicate Risk management policies.
- Facilitate Risk management activities, use of appropriate modalities, techniques and tools.
- Facilitate identification of risks.
- Work with RMC and Risk owners to establish, maintain, continuously improve risk management capabilities.
- Enable effective alignment between the risk management process and internal audit.

Risk Owners (Key Managerial Personnel like CFO)

Risk owners are those who will assess the risk by determining its probability of occurrence and its impact with an objective of reporting key risks to the risk co-ordinator (CEO/Executive Director) and the RMC. Key responsibilities would be like:

- Identification of new risks
- Communication of evolving new risks and changes in the status of previously identified risks.
- Reporting failures of existing control measures.
- Providing RMC / Board/ Audit committee with controls and good to have controls for critical process for various domains.

10. Review of the Policy:

The Policy will be reviewed and revised, if necessary, once in 2 years or if there is a change in Regulation/ requirements by the regulatory body.

For and on behalf of the Board of Directors of
G. G. Dandekar Properties Limited

Purab Gujar
Chairperson
Place: Pune
Date: 09 August 2024
Updated effective from 29 May 2026.