



UNIQUE ORGANICS LIMITED

CIN: L24119RJ1993PLC007148

Reg. Office: E-521, Sitapura Industrial Area, Near Sanganer, Tonk Road, Jaipur-22 (Raj)

Phone: +91-141-2521804, Fax: +91-141-2523653

E-mail: compliance@uniqueorganics.com; Website: www.uniqueorganics.com

"RISK MANAGEMENT POLICY/PLAN" OF UNIQUE ORGANICS LIMITED

A. INTRODUCTION:

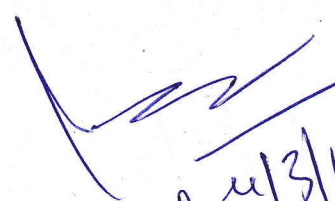
In common terms, 'Risk' can be defined as a probability or threat of damage, injury, liability, loss or any other negative occurrence that is caused by external or internal vulnerabilities. Determining and handling what risks exist can impact an organization is 'Risk Management'.

Unique organics Limited, engaged into exports of agricultural commodities, is prone to inherent business risk like any other organization. Risk management policy of the company lays down standards of identifying the potential threats, their likelihood of occurrence and taking appropriate actions to address the same. Also it involves periodic review of the operations so that proper actions can be taken to minimize the risk.

The Risk Management Policy/Plan of the company is laid in compliance of Clause 49 of Listing agreement with BSE and Section 134(3)(n) of the Companies Act, 2013 read with rules thereunder.

B. RISK MANAGEMENT:

The Board of Directors of the company and the Audit Committee shall identify the risks impacting the business of the organization and there after taking steps for risk minimization and risk optimization. Further each department will be responsible for proper implementation and reporting of the system as laid down by the management of the company.


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C. RISK IDENTIFICATION:

Since the company is engaged into exports of agricultural commodities and other trading activities, a lot of risks pose threat to the working of the company, this includes:

- 1) **Market Risk:** India is an agriculture based country and it is affected by a lot of factors like weather, government policies, local demand & supply. These factors affect the sales of the company as well as margins on these sales.
- 2) **Currency fluctuation:** Being an exports company, we transact our business in USD or other foreign currency and thus are exposed to substantial risk on account of adverse movement of the currencies in the global market.
- 3) **Competition:** The agricultural commodities export is highly competitive and it seems that in future also the competitiveness will increase only. This is not only from within the country but also from other countries as well which have started offering competitive prices for products also being exported from India.
- 4) **Financial and Legal Risk:** In recent times, there have been introduction of various new laws and regulations related to accounting, corporate governance, public disclosures, SEBI guideline have become more transparent and stringent. With these changes, the companies have been posed with a risk of non-compliance or mis-interpretation of these regulations. Following proper accounting policies is also a must for an organization which needs to be seen properly.
- 5) **Human Resources Management:** A company can sustain for long time only when there is a team work and each member of the team is well versed with the role, he/she has to play in order for a combined growth of his/her and the organization. There is always a risk involved in selecting a right person and assigning task on the basis of the individual's abilities.


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- 6) **Payment Risk:** Being an exports company, a company is easily exposed with the risk of buyer's defaulting. This can happen due to market conditions, fraudulent buyer, improper services, etc.

D. RISK MANAGEMENT:

It is a usual for a company to face risk/ threats during the business activities of the company. But the important thing is to be pro-active i.e. identifying these risks prior to risk happening and take measures to avoid/minimize/optimize these risks. In order to avoid/minimize/optimize the risks, the company has adopted a few strategies which act as guidelines for managing risk:

- 1) Proper KYC of new buyers.
- 2) Taking insurance facility as provided to exporters (ECGC).
- 3) Regular reporting of the market trends.
- 4) Hedging of transactions from time to time with our Banker.
- 5) Always working towards exploring new market, products and buyers so as to deal with the competition and market risk.
- 6) Regular budgeting and financial reporting.
- 7) Following proper accounting practices.
- 8) Following proper internal control system.
- 9) Compliance guidelines have been made as applicable on company under listing agreement, Companies Act & Rules, SEBI etc, which are followed accordingly and thus it is ensured that no compliance is missed and the company avoids the risk of non-compliance.


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E. ROLE OF THE MANAGING DIRECTOR, BOARD, AUDIT COMMITTEE & MANAGERS:

1) Managing Director:

It is the responsibility of the Managing Director to manage the risk arising out of day-to-day management, with the assistance of other senior managers of the company. The Managing Director is also responsible for identifying the Company's risk profile and later with the approval of the Board, ensures that the Policy is updated accordingly.

2) Board:

The Board is responsible to implement the risk management in the organization and also review it from time to time.

3) Audit Committee:

Role of Audit committee is to monitor and review the financial reporting of the company.

4) Managers & other Staff:

Role of managers/other staff in the company is as under:-

- i. Monitor business risks for their areas of responsibilities.
- ii. Provide adequate information on implemented risk treatment strategies to senior management and support to the Board.
- iii. Ensure staff is adopting the Company's risk management framework as developed and intended.
- iv. Reporting any newly identified risk to the management.


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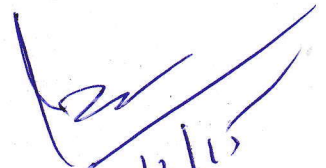
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Risk management is a continuous process and hence periodic review and update is necessary to identify and manage the various risks that may arise from time to time.

SUMMARY OF RISK MANAGEMENT POLICY:

The Company has developed and established a risk management policy for the Company which sets out a framework for identification of elements of Risk, if any which in the opinion of the Board may threaten the existence of the Company and has devised a proper system of risk management and internal compliance and control through Board, Audit Committee, Managing Director, KMP's and other employees the Company.


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