RISK MANAGEMENT POLICY

INTRODUCTION:

In the world of finance, risk management refers to the practice of identifying potential risks in advance, analysing them and taking precautionary steps to reduce/curb the risk.

Nouveau Global Ventures Ltd **('NGVL') ("the Company")** believes that understanding the risks the Company faces and managing them effectively improves decision-making and is central to the continued growth of shareholder value. The adoption of a strategic, consistent and structured risk management approach across the Company will result in an appropriate balance between the realisation of business opportunities against the risk of potential threats and losses.

For the Company, the management of risk is a continual process and an integral part of the management and corporate governance of the business. This Risk Management Policy and the Risk Management Structure/Framework lay the foundations for the Company's approach to risk management. Risk Management in the Company provides a framework to identify, assess and manage potential risks and opportunities. It provides a way for managers to make informed management decisions.

STATUTORY REQUIREMENT:

This risk management policy is framed by the Company keeping in mind the requirement of Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. As per the provisions of Section 134 of the Companies Act, 2013 and Regulation 17 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Board of Directors, requires to aware the shareholders of Company regarding development and implementation of risk management policy for the Company, including identification therein of elements of risks, if any, which in their opinion might threaten the existence of the Company. Therefore, it is necessary to lay down a structure to inform members of the board of directors about risk assessment and minimization procedures which can be only be done after framing, implementing and monitoring the risk management plan for the Company.

SCOPE:

The Policy shall apply to all operations, divisions and geographic locations of the Company.
The Policy shall also apply to all Subsidiaries and group Companies, if any.

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RISK MANAGEMENT PRINCIPLES/PLAN:

- The principles/plan contained in this policy will be applied at both corporate and operational levels within the organization;
- The Company's Risk Management Policy will be applied to all operational aspects of the Company;
- Our positive approach to risk management means that we will not only look at the risk of things going wrong, but also the impact of not taking opportunities or not capitalizing on corporate strengths;
- Responsibility for identifying and managing risks is a routine part of the role of management at all levels, including the identification and regular monitoring of key risk indicators.

AREAS OF RISKS:

1. Business Operations Risks:

These risks relate broadly to the company's organisation and management, such as planning, monitoring and reporting systems in the day to day management process namely:

- ➢ Organisation and management risks,
- ➢ Production, process and productivity risks,
- ➢ Business interruption risks,
- ➢ Profitability

2. Liquidity Risks:

- ➢ Financial solvency risk
- ➢ Liquidity (Working Capital) risks
- ➢ Borrowing limits
- ➢ Cash management risks

3. Sales Market Demand Risk:

Customers play a vital role in determining the performance of a real estate Company.

- ➢ Entry of new competitors has direct effect on demand & sales Downturn in economy could lead to
  - − A decrease in sales or market rates for residential projects.
  - − Prospective customers may not be able to obtain housing finance.
  - − The Company may also run the risk of customer insolvencies.
- ➢ Shift in customer preference may also have an adverse effect on the Company's business and operating results.

4. Procurement Risk:

- ➢ Supply Risks – Quantity & Quality
- ➢ Suppliers lead time, interest rate risks
- ➢ Raw material rates
- ➢ Interruption in the supply of raw material

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5. Human Resource Risks:

- Labour Turnover Risks, involving replacement risks, training risks, skill risks, etc.

6. Legal Risks:

These risks relate to the following:

- Contract Risks
- Contractual Liability
- Judicial Risks

7. Disaster Risks:

- Natural risks like Fire, Floods, Earthquakes, etc.

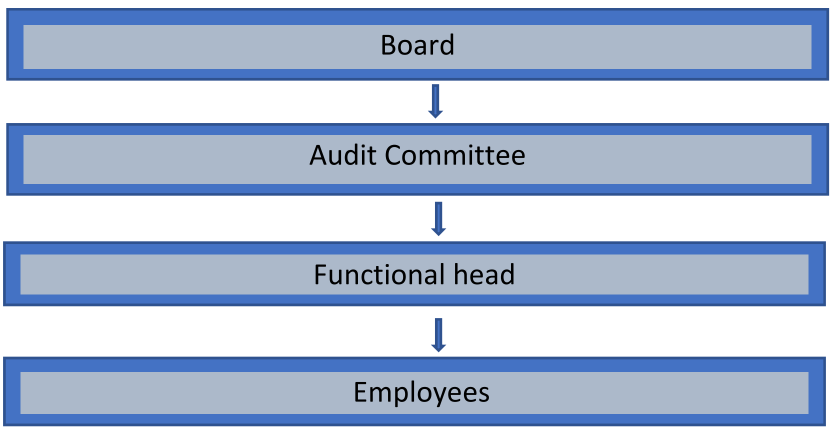
8. IT System Risks:

- System capability
- System reliability
- Data integrity risks
- Coordinating and interfacing risks

Information Security

RISK GOVERNANCE STRUCTURE:

- An organisation's ability to conduct effective risk management is dependent upon having an appropriate risk governance structure and well-defined roles and responsibilities;
- Risk governance signifies the manner in which the business and affairs of an entity are directed and managed by its Board of Directors and functional or executive management;
- The risk organization structure for the Company is as depicted below.



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ROLES AND RESPONSIBILITIES:

The risk management roles and responsibilities will be as under:

Board	➢ *Approve risk policy and strategy;* ➢ *To ensure that the Risk Management Policy is being followed and effectively contributing to early identification of risks and proper mitigation process;* ➢ *Delegate the review & monitoring of implementation of Risk Management Policy to the Audit Committee.*
Audit Committee	➢ *Reviews adequacy and effectiveness of business risk management;* ➢ *Advise Business/support functions on Risk initiatives;* ➢ *Monitors emerging issues and shares best practice.*
Functional Head	➢ *Responsible for identifying risks;* ➢ *Responsible for preparing risk profile;* ➢ *Responsible for managing risk.*
Employees	➢ *Compliance with requirement of this policy;* ➢ *Exercise reasonable care to prevent loss, to maximize opportunity and to ensure that the operations, reputation and assets are not adversely affected;*

RISK STRATEGY:

Risk management is a structured and disciplined approach to assessing and managing the uncertainties that the company faces, as it creates and preserves value.

The company believes risk taking is a necessary and accepted part of our business. Effectively managing risk is a competitive necessity and an integral part of creating shareholder value through good business practices designed to ensure that the company achieves its strategic, business and governance objectives, and protects its corporate reputation, values and integrity. In the context of realising strategic objectives, some amount of failure is an accepted outcome of risk taking as long as risks have been properly assessed.

The Company believes that the Risk cannot be eliminated. However, it can be:

- Transferred to another party, who is willing to take risk, say by buying an insurance policy or entering into a forward contract;
- Reduced, by having good internal controls;
- Retained, on account of compelling and justifiable reasons
- Shared, by following a middle path between retaining and transferring risk.

The Company does not engage in speculative activity which is defined as a profit- seeking activity unrelated to the Company's primary business. The Company is committed to managing the risk in a proactive and effective manner.

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AMENDMENTS:

The Board, subject to the provisions of the Companies Act, 2013, SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and other laws or regulations as applicable in this regard from time to time, reserves its right to amend or modiy this Policy in whole or in part, at any time without assigning any reason whatsoever.

APPROVAL:

This Risk Management Policy has been approved by the Board of Directors at their
Meeting held on 29th March, 2019 to be effective from the said date.

DISCLAIMER CLAUSE:

The Management cautions readers that the risks outlined above are not exhaustive and are for information purposes only. Readers are requested to exercise their own judgment in assessing various risks associated with the Company.

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