SPORTKING INDIA LIMITED (SIL)

RISK MANAGEMENT POLICY

PREFACE

Sportking India Limited ("the Company") considers ongoing risk management to be a core component of the Management of the Company, and understands that the Company's ability to identify and address risk is central to achieving its corporate objectives. The Company's Risk Management Policy ("the Policy") aims to ensure appropriate risk management within its systems and culture.

The Policy is formulated in compliance with Regulation 17(9)(b) and other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and provisions of the Companies Act, 2013 ("the Act"), which requires the Company to lay down procedures about risk assessment and risk minimization.

OBJECTIVE:

The main objective of this policy is to ensure sustainable business growth with stability and to promote a pro-active approach in reporting, evaluating and resolving risks associated with the business. In order to achieve the key objective, the policy establishes a structured and disciplined approach to Risk Management, in order to guide decisions on risk related issues.

The Company recognizes that risk is an integral and unavoidable component of business and is committed to managing the risk in a proactive and effective manner. The Company, being one of the largest textile, is committed towards excellence.

TYPES OF RISKS:

In today's challenging and competitive environment, strategies for mitigating inherent risks in accomplishing the growth plans of the Company are imperative. The common risks, inter-alia, are Market risk , Raw Materials risk, Operational risk, Financial risk, , etc.

- Operational risk, inter-alia, further includes non-availability of labour, labour unrest, non-availability of power/ water, fire, breakdown, pandemic like Covid19, environmental issues like pollution, legal compliance, IT and cyber threats, etc.
- Raw Materials risk, inter-alia, further includes cost of raw materials, non-availability of raw materials, etc.
- Financial risk, inter-alia, further includes dwindling financial ratios, foreign exchange fluctuations, fraud, investor relations, drop in credit ratings, etc.
- Market risk, inter-alia, further includes price of finished products, trade war, economic barriers like export ban/duties, trade barriers, changes in Government regulations and policies, credit terms, country specific risk, demand supply mismatch, substitute products, innovations (business models, innovative raw materials, etc.), brand image, bad debts, etc.

For managing risks more efficiently the Company needs to identify the risks that it faces in trying to achieve the objectives of the Company. Once these risks are identified, the Company needs to evaluate these risks on the basis of their impact on the Company.

RISK MANAGEMENT FRAMEWORK

Risk Management is the process of controlling various risks in the organization by identifying or assessing those risks well in advance and taking steps to minimize those risks. The focus of good risk management is the identification and treatment of business risks. Risk Management is a continuous and developing process which runs throughout the organization's strategy and implementation of that strategy.

The Company will consider activities at all levels of the organization and its Risk Management with focus on three key elements, viz.

- Risk Assessment - detailed study of threats and vulnerability and resultant exposure to various risks;
- Risk Management and Monitoring - the probability of risk assumption is estimated with available data and information;
- Risk Mitigation - Measures adopted to mitigate risk by the Company.

OVERSIGHT AND MANAGEMENT:

Board of Directors

- The Board of Directors shall guide and advise on the Risk Management plan of the Company.
- Report of Board of Directors will include details about the development and implementation of the Policy and this will cover identification of various risks, arising out of internal and external elements, as faced by the Company and the mitigating efforts for tackling the same.

Senior Management

- Periodically examine and evaluate the effectiveness of the Risk Management framework, track progress and report on best practices.
- Ensure that a supportive learning environment exists for Risk Management.
- Ensure that the risks are prioritized and appropriate Risk Management strategies are in place to respond to the identified risks.

Risk Management Committee

The Company shall have a Risk Management Committee who will review and assess the risks in the organization at frequent intervals and report the same to the management in the Board Meeting of the Company. Further, the Committee shall also suggest the means to minimize those risks.

Review and Amendment

The Risk Management Committee of the Board of Directors of the Company periodically reviews the existence and functioning of Risk Management Policy. Any change in the Policy shall be approved by the Board of Directors or any of its Committees (as may be authorized by the Board of Directors in this regard). The Board of Directors or any of its authorized Committees shall have the right to withdraw and / or amend any part of this Policy or the entire Policy, at any time, as it deems fit, or from time to time, and the decision of the Board or its Committee in this respect shall be final and binding. Any subsequent amendment / modification in the Listing Regulations and / or any other laws in this regard shall automatically apply to this Policy.

Effective Date

This Policy has been revised by the Board of Directors of the Company at its meeting held on 30th April 2022.