KUSHAL LIMITED
(Formerly known as Kushal Tradelink Limited**)**

RISK MANAGEMENT POLICY

I. Introduction

This Risk Management Policy has been framed and adopted by KUSHAL LIMITED (hereinafter referred to as "the Company") in compliance with provisions of Section 134(3)(n) and Section 177(4)(vii) of the Companies Act, 2013 ("the Act") along with Regulation 17 of SEBI (Listing Obligation Disclosure Requirement) Regulation 2015.

II. 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 Company's business. In order to achieve the key objective, this policy establishes a structured and disciplined approach to Risk Management, in order to guide decisions on risk related issues.

The specific objectives of this Policy are:

1. To ensure that all the current and future material risk exposures of the Company are identified, assessed, quantified, appropriately mitigated, minimized and managed i.e. to ensure adequate systems for risk management.

2. To establish a framework for the company's risk management process and to ensure its implementation.

3. To enable compliance with appropriate regulations, wherever applicable, through the adoption of best practices.

4. To assure business growth with financial stability.

III. Definitions

In this policy, unless repugnant to the meaning or context thereof, the following expressions shall have the meaning given to them as below:

"Risk" means the effect of uncertainty on objectives, i.e the chance of something happening that will have a positive or negative impact on objectives.

"Risk Assessment" means the systematic process of identifying and analyzing risks. Risk Assessment consists of a detailed study of threats and vulnerability and resultant exposure to various risks.

"Risk Management" means 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.

"Risk Management Process" means the systematic application of management policies, procedures and practices to the tasks of establishing the context, identifying, and analyzing, evaluating, treating, monitoring and communicating risk.

IV. Applicability

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

V. Legal Framework

Risk Management is a key aspect of Corporate Governance Principles and Code of Conduct which aims to improvise the governance practices across the business activities of any organization. The Companies Act, 2013 have incorporated various provisions in relation to Risk Management policy, procedure and practice.

Responsibility of the Board: As per Section 134 (n) of the Act, the board of directors' report must include a statement indicating 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.

Responsibility of the Audit Committee: As per Section 177 (4)(vii) of the Act, the Audit Committee shall act in accordance with the terms of reference specified in writing by the Board which shall, inter alia, include evaluation of internal financial controls and risk management systems.

Responsibility of the Independent Directors: As per Schedule IV [Part II-(4)] of the Act, Independent directors should satisfy themselves that financial controls and the systems of risk management are robust and defensible.

VI. Risk Factors

The objectives of the Company are subject to both external and internal risks that are enumerated below:

A. External Risk Factors:

- Economic Environment and Market conditions
- Political Environment
- Competition
- Fluctuation in foreign currency
- Revenue Concentration and liquidity aspects-

Each business area of company such as paper, paper related products, entertainment, education and other aspects of business services has specific aspects on profitability and liquidity. The risks are therefore associated on each business segment contributing to total revenue, profitability and liquidity. Since the projects have inherent longer time-frame and milestone payment requirements, they carry higher risks for profitability and liquidity.

- Inflation and Cost structure-

Inflation is inherent in any business and thereby there is a tendency of costs going higher. Further, the project business, due to its inherent longer time- frame, as much higher risks for inflation and resultant increase in costs.

- Technology Obsolescence –

The Company strongly believes that technological obsolescence is a practical reality. Technological obsolescence is evaluated on a continual basis and the necessary investments are made to bring in the best of the prevailing technology.

- Legal –

Legal risk is the risk in which the Company is exposed to legal action. As the Company is governed by various laws and the Company has to do its business within four walls of law, the Company is exposed to legal risk.

B. Internal Risk Factors

- Project Execution
- Contractual Compliance
- Operational Efficiency
- Hurdles in optimum use of resources
- Quality Assurance
- Environmental Management
- Human Resource Management
- Culture and values

VII. Responsibility for Risk Management

Generally, every staff member of the organization is responsible for the effective management of risk including the identification of potential risks. Management is responsible for the development of risk mitigation plans and the implementation of risk reduction strategies. Risk management processes should be integrated with other planning processes and management activities.

VIII. Compliance and Control

All the Senior Executives under the guidance of the Chairman and Board of Directors has the responsibility for over viewing management's processes and results in identifying, assessing and monitoring risk associated with organization's business operations and the implementation and maintenance of policies and control procedures to give adequate protection against key risk. In doing so, the Senior Executive considers and assesses the appropriateness and effectiveness of management information and other systems of internal control, encompassing review of any external agency in this regards and action taken or proposed resulting from those reports.

IX. Review

This Policy shall be reviewed atleast every year to ensure it meets the requirements of legislation and the needs of organization.

X. Amendments

The Board reserves its rights to amend or modify this policy in whole or in part, at any time without assigning any reason whatsoever.