Risk Management Policy

For GeeCee Ventures Limited

(Effective from 1st June, 2016)
(Amended from 07th February, 2024)

RISK MANAGEMENT POLICY

1.1 OBJECTIVES

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 ("Risk Management Policy") establishes a structured and disciplined approach to Risk Management, including the development of the Risk Register, in order to guide decisions on risk evaluating & mitigation related issues. The Company's primary activity is promotion and development of real estate projects while it also runs business in capitalisation of funds and generation of electricity through wind mill. The risk associated with capitalisation of funds and with generation of electricity is unlikely to cause any serious impact on company financial and workings. Therefore, this policy mainly covers the risks associated with the primary business of the Company i.e. real estate promotion and development.

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

1.2 APLICABILITY

(i) This policy applies to every part of Company's business and functions of GeeCee Ventures Limited.

(ii) The Board of Directors of the Company and the Audit Committee of Directors shall periodically review the risk management policy of the Company so that management controls the risk through properly defined network.

(iii) Head of Departments shall be responsible for implementation of the risk management system as may be applicable to their respective areas of functioning and report to the Board and the Audit Committee.

2 DEFINITIONS

i. Company: means GeeCee Ventures Limited.

ii. Risk: A probability or threat of damage, injury, liability, loss, or any other negative occurrence that may be caused by internal or external vulnerabilities; that may or may not be avoidable by pre-emptive action.

iii. Risk Management: Risk Management is the process of systematically identifying, quantifying, and managing all risks and opportunities that can affect achievement of a corporation's strategic and financial goals.

iv. Risk Assessment: Risk Assessment is defined as the overall process of risk analysis and evaluation.

OPPORTUNITIES AND THREATS

The Government of India has deregulated and liberalized the Real Estate Sector after liberalization of a number of other sectors of the economy. The Growth of India's middle class creating demand for housing, Rising FDI levels have increased commercial space requirements by foreign firms and expansion in organized retail sector.

Fluctuations in market conditions may affect our ability to sell our projects at expected prices, which could adversely affect our revenue and earnings. Potential limitations on the supply of land could reduce our revenue or negatively impact the results of Company's operations.

As seen in the recent past the Government policies have been supportive e.g. reduction in stamp duty and change in the tenancy law and abolition of land ceiling Act.

As in any other business, the real estate sector is also likely to face competition from existing as well as new players, both domestic as well as foreign. However, your Company hopes to address the competitive threat on the strength of its emphasis on quality of construction, adoption of innovative designs and provision of qualitative services and of course, by using its advantage of experience.

The Company remains firmly committed to its objective of high quality coupled with cost reduction initiatives. The performance of the Company in Contracts Division is satisfactory but sometimes we have to face cost escalation and catastrophic seasonal conditions which cause delay in the implementation of the works. The Company is putting its impetus to real estate sector once again.

The real estate sector in India has undergone rapid changes in the past few years. New competitors have entered the core area of our operations in recent times. The fight for the market share has intensified with competition resorting to higher advertising costs. This combined with substantial increase in costs of critical inputs like cement, steel etc., have neutralized the impact of Government's positive policies for real estate sector.

RISK AND CONCERNS

A big risk which the developers are facing is price risk. Real estate price cycles have the maximum impact on the margins of the developers, because land costs account for a large portion of the constructed property. The other risk to which the developers are exposed is demand risk which indicates the ability to sell properties based on location, brand, track record, quality and timelines of completion. Most real estate developers try to address this risk by undertaking market surveys in order to assess the demand for their properties. Sustained availability of housing loans at a cheaper rate is one of the reasons for growth in demand for housing units. Uncertain interest rates lead to uncertainty in the real estate market. This trend of rising interest rate may dampen the growth rate of demand for housing units. Change in Government Policies including change in Tax structure will also affect the Progress of the Real Estate Industry.

Although major initiatives in the infrastructure of road and transportation have been made, yet the availability of Power still needs the attention of policy makers. The lack of uniformity in the regulatory environment concerning the real estate, as also the availability of quality manpower, and reliable databases on industry, are concerns that need to be addressed for attracting FDI inflows in the industry.

RISK MANAGEMENT

Risk Management shall provide reasonable assurance in protection of business value from uncertainties and consequent losses. All concerned process owners of the company shall be responsible for identifying & mitigating key risks in their respective domains. The occurrence of risk, progress of mitigation plan and its status will be monitored on periodic basis.

The Company has laid down procedures to inform the Board members about the risk assessment, if any, and procedure to minimize the same.

- The Company shall be making investments in an optimum blend of securities consisting of Equity Shares, Preference Shares, and Debt Instruments like Corporate Bonds, Mutual Funds, and Debt Securities etc. However, the actual composition of securities will depend upon the prevailing market conditions, opportunity available and risk factors associated with those securities.

- The Company shall be making investments in Mutual Fund Schemes of different maturity periods. The company shall extend Loans, secured as well as unsecured, mainly to individuals and entities associated with GeeCee Group. Interest rate and security will be main considerations, while extending such loans.

- The company shall follow very stringent and high safety norms for selecting the property besides higher profit margin and lease rentals available.

- The Company will encourage its managerial personnel to attend various training and educational seminars to have themselves updated with the knowledge of latest developments in the market.

- The Company will try to diversify its investment in different regions within India to have better returns with lesser risk, as per the opportunities available in the market.

RISK MITIGATION MEASURES

For risk management to be effective, all operations must apply the following measures to the Context of their particular business and its objectives.

Risk response is a process by which the management evaluates and adopts mitigation measures. This should also involve assessment of costs versus benefits of the proposed measures and degree to which the response will reduce impact and/or likelihood of risk events.

Identified risks should be mitigated using any of the following Risk Mitigation plans:

- **Risk Avoidance**: By not performing an activity that could carry risk. Avoidance may seem the answer to all risk, but avoiding risks also means losing out on the potential gain that accepting (retaining) the risk may have allowed.

- **Risk Transfer**: Mitigation by having another party to accept the risk, either partial or total, typically by contract or by hedging / insurance

- **Risk Reduction**: Employing methods/solutions that reduce the severity of the loss e.g. concreting being done for preventing landslide from occurring.

- **Risk Retention**: Accepting the loss when it occurs. Risk retention is a viable strategy for small risks where the cost of insuring against the risk would be greater than the total losses sustained. All risks that are not avoided or transferred are retained by default

MONITORING AND REVIEWING RISKS

Risk monitoring, reviewing mitigating and reporting are critical components of the Risk Management process. Once risks are identified, it is necessary to prioritize them based on the impact, dependability on other functions, effectiveness of existing controls etc. Process of assessment of Identified risks and mitigation plans will be apprised to the Board from time to time or as specified under the Listing Regulations.

REVIEW AND AMENDMENTS

Any change in the Policy shall be approved by the Audit Committee and the Board of Directors of the Company. The Board of Directors 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 in this respect shall be final and binding. Any subsequent amendment/modification in the Companies Act, 2013 or the Rules framed thereunder or the Listing Regulations and/or any other laws in this regard shall automatically apply to this Policy.

COMMUNICATION OF THIS POLICY

This policy shall be posted on the website of the Company.