

**UNITED LEASING AND INDUSTRIES LIMITED**  
CIN: L17100HR1983PLC033460

**RISK MANAGEMENT POLICY**

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*(As per section 134 (3) (n) of Companies Act 2013)*

## 1. INTRODUCTION

United Leasing and Industries Limited (“the Company”) is engaged in textiles (including embroidery), trading activities. The Company recognizes that risk is an integral part of business and is committed to managing risks in a proactive and efficient manner.

This Risk Management Policy provides a structured framework to identify, assess, monitor, and mitigate risks that may adversely impact the Company’s business operations, financial performance, and reputation, thereby ensuring long-term sustainability and growth.

## 2. OBJECTIVE

The objective of Risk Management at United Leasing and Industries Limited is to create and protect shareholder value by minimizing threats or losses, and identifying and maximizing opportunities. An enterprise-wide risk management framework is applied so that effective management of risks is an integral part of every employee’s job.

### **Strategic Objective:**

1. Providing a framework that enables future activities to take place in a consistent and controlled manner.
2. Improving decision making, planning and prioritization by comprehensive and structured understanding of business activities, volatility and opportunities/ threats.
3. Contributing towards more efficient use/ allocation of the resources within the organization.
4. Protecting and enhancing assets and Company image.
5. Reducing volatility in various areas of the business.
6. Developing and supporting people and knowledge base of the organization.
7. Optimizing operational efficiency.

## 3. SCOPE

This Policy applies to all functions, departments, and business segments of the Company, including:

1. Textile & Embroidery Business: Manufacturing, sourcing, design, sales, and distribution.
2. Trading Activities: Domestic trading of textiles, garments, and related products.

## 4. DEFINITIONS

- **Risk:** Any event or circumstance that may impact the company’s objectives, financial performance, reputation, or regulatory compliance.
- **Risk Management:** Systematic identification, evaluation, and mitigation of risks to minimize potential negative impacts.
- **Key Risk Areas:** Economic, operational, market, regulatory, financial, and technological risks.
- **Risk Appetite:** The level of risk that the Company is willing to accept in pursuit of its objectives.

## 5. RISK MANAGEMENT ANALYSIS

In accordance with Section 134(3)(n) of the Companies Act, 2013, the Board of Directors is required to include in its Report a statement indicating the development and implementation of a Risk Management Policy, including identification of elements of risk that may threaten the existence of the Company.

Further, Section 177(4)(vii) of the Act mandates the Audit Committee to evaluate risk management systems. Accordingly, this Policy has been framed to ensure compliance with statutory requirements.

The Board is responsible for:

- Reviewing and guiding risk management policies.
- Ensuring the establishment of appropriate risk management systems and internal controls.
- Preventing excessive risk-taking and over-optimistic assumptions.
- Providing independent oversight and challenging management assumptions where necessary.

## 6. RISK CLASSIFICATION

*The risks are broadly categories into:*

<i>Risk Category</i>	<i>Description</i>
Strategic Risks	<ul style="list-style-type: none"> <li>• Market competition</li> <li>• Changing consumer preferences</li> <li>• Expansion strategies</li> </ul>
Operational Risks	<ul style="list-style-type: none"> <li>• Supply chain disruptions</li> <li>• Raw material volatility</li> <li>• Technological failures</li> <li>• Facility maintenance</li> </ul>
Financial Risks	<ul style="list-style-type: none"> <li>• Delayed ROI</li> <li>• Foreign exchange exposure</li> <li>• Credit risk</li> </ul>
Regulatory & Compliance Risks	<ul style="list-style-type: none"> <li>• Labor laws</li> <li>• Environmental regulations</li> <li>• Taxation compliance</li> </ul>
Reputational Risks	<ul style="list-style-type: none"> <li>• Customer dissatisfaction</li> <li>• Quality issues</li> <li>• Negative publicity</li> </ul>

## 7. RISK HANDLING AND MONITORING OR REPORT

The Company has established a robust risk management framework to:

- Identify, assess, respond to, monitor, and control risks on an ongoing basis.
- Adopt a systematic and structured approach to anticipate and mitigate potential risks.

- Evaluate and prioritize risks based on their impact and likelihood.
- Implement strong internal controls and compliance mechanisms across all functions.
- Develop contingency plans for high-impact risks.
- Review risk management activities periodically and on an event-driven basis.
- Seek external expert advice (legal, financial, or technical) when required for informed decision-making.

## 8. ROLES & RESPONSIBILITIES

- **Board of Directors:** Approve policy, ensure compliance, and review major risks.
- **Audit & Risk Committee:** Review risk reports, assess mitigation measures, and recommend improvements.
- **Management:** Implement mitigation strategies, maintain documentation, and monitor performance.
- **Employees:** Identify risks in their respective areas and report promptly.

## 9. CONCLUSION

The Company’s Risk Management framework is dynamic and continuously evolving in line with business growth and external developments. It is recognized as a “living system,” which will be reviewed and updated periodically to remain relevant and effective.

The Company remains committed to strengthening its risk management practices to enhance resilience, ensure regulatory compliance, and achieve sustainable growth.

**Sd/-  
Ashish Khanna  
Managing Director**

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