



## **Barbeque-Nation Hospitality Limited**

***(Registered Office: Sy. No. 62, Site No. 13, 6<sup>th</sup> Cross, NS Palya, BTM Layout, Bengaluru-560076, Karnataka, India)***

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### ***RISK MANAGEMENT POLICY***

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### **1. Introduction**

Risk Management is a key aspect of the “Corporate Governance Principles and Code of Conduct” which aims to improvise the governance practices across the activities of Barbeque-Nation Hospitality Limited. Risk management policy and processes will enable the Company to proactively manage uncertainty and changes in the internal and external environment to limit negative impacts and capitalize on opportunities.

### **2. Objective**

The Company is prone to inherent business risks. 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.

This Policy is approved by the Board in its meeting held on 29<sup>th</sup> June 2017 and revised by the IPO Committee on 16<sup>th</sup> March 2021 and is in line with Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulation, 2015) which requires the Company to lay down procedures for risk assessment and risk minimization.

### **3. Effective Date:**

This Policy shall be effective from the date of listing of the securities of the Company on the stock exchange(s).

### **2. Definitions**

**2.1. Company:** It means Barbeque-Nation Hospitality Limited.

**2.2 Audit Committee:** It means the Committee constituted by the Board of Directors of the Company under Section 177 of the Companies Act, 2013 and the provisions of Listing Regulations, 2015, from time to time.

**2.2. Risk:** Risks are events or conditions that may occur, and whose occurrence, if it does take place, has a harmful or negative impact on the achievement of the organization’s business objectives. The exposure to the consequences of uncertainty constitutes a risk.

### **2.3 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.

### **3. Classification of Risks:**

On the basis of risks that company may be exposed to, risks will be classified broadly into the following categories:

**(a) Strategic Risk:** It includes range of external events and trends (like Government policy, Competition, Court Rulings or a Change in Stakeholder requirements) that can adversely impact the company’s strategic growth and destroy shareholder value.

**(b) Business Risk:** It includes the risks associated specifically with the company and having an adverse impact on the company's capability to execute activities critical for business growth, thereby affecting its near-term performance.

**(c) Operational Risk:** These are those risks which are associated with operational uncertainties, force majeure events like floods affecting operations, internal risks like attrition etc.

#### 4. Risk Management Framework

The Company believes that risk should be managed and monitored on a continuous basis. As a result, the Company has designed a dynamic risk management framework to manage risks effectively and efficiently, enabling both short term and long term strategic and business objectives to be met, by focusing on **(a) Risk Assessment (b) Risk Management.**

##### **(a) Risk Assessment:**

To meet the stated objectives, it is imperative to make effective strategies for exploiting opportunities and as a part of this the Company has identified key risks and developed plans for managing the same. The objectives of the Company are subject to risks that are external and internal as enumerated below:

External Risk Factors	Internal Risk Factors
Economic Environment and Market Conditions	Financial reporting risks
Competition	Contractual compliance
Revenue concentration	Compliance with local laws
Inflation and cost structure	Human resource management
Technology obsolescence	Culture and values
Risk of Corporate Accounting Fraud	

##### **b. Risk Management**

Principles of Risk Management

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

#### 5. Governance Structure

The Company's Risk Management framework is supported by the Board of Directors, the management of the Company and the Audit Committee.

#### **a. Audit Committee**

The Committee is delegated with responsibilities in relation to risk management and the financial reporting process of the Company. The Committee is also responsible for monitoring overall compliance with laws and regulations.

#### **6. Review of the policy**

The Board shall review this Policy from time to time to ensure it remains consistent with the Board's objectives and responsibilities.

#### **7. Amendment**

Any change in the Policy shall be approved by 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.

#### **8. Disclaimer Clause:**

The risks outlined above are not exhaustive and are for information purposes only. Management is not an expert in assessment of risk factors, risk mitigation measures and in having a complete / proper management's perception of risks. This policy may be amended and modified, subject to appropriate provisions of law, rules, regulations and guidelines from time to time.