

Financial Risk Management (FRM) Policy

1. Objective

The objective of this Financial Risk Management (FRM) Policy is to establish a framework for identifying, assessing, monitoring, and managing financial risks that may affect the operations and financial stability of Quanto Consulting Pvt. Ltd. This policy ensures that the Company adopts proactive measures to minimize risk exposure and protect stakeholder interests.

2. Scope

This policy applies to all departments, functions, and employees of Quanto Consulting Pvt. Ltd. involved in financial decision-making, risk management, and operations with financial implications.

3. Settlement Principles

The Company recognizes the following types of financial risks:

- Credit Risk: Risk of default from counterparties or clients.
- Market Risk: Exposure to changes in market variables such as interest rates, foreign exchange, and equity prices.
- Liquidity Risk: Risk of insufficient cash flow to meet financial obligations.
- Operational Risk: Financial impact due to failed internal processes or systems.
- Regulatory and Compliance Risk: Financial penalties from non-compliance with laws or regulations.

4. Risk Identification and Assessment

All departments must identify and evaluate financial risks during strategic planning, investment decisions, and operational processes. Risk assessments should consider the likelihood and impact of each risk and be updated periodically.

5. Risk Mitigation Strategies

- Credit Risk: Conduct due diligence, use credit limits, and implement credit scoring.
- Market Risk: Hedge using financial instruments and monitor exposure limits.
- Liquidity Risk: Maintain adequate reserves, cash flow forecasting, and access to credit lines.
- Operational Risk: Implement internal controls, SOPs, and conduct audits.
- Compliance Risk: Regular monitoring of legal and regulatory changes and training of staff.

6. Risk Monitoring and Reporting

Financial risks shall be continuously monitored and reported to the Risk Management Committee. Material risks must be escalated to senior management. Key risk indicators (KRIs) will be developed for timely alerts and mitigation.

7. Governance and Responsibilities

- Board of Directors: Provide oversight and approve the FRM policy.
- Risk Management Committee: Monitor financial risk management implementation.
- Finance Team: Execute day-to-day risk control measures.
- All Employees: Report risks and follow procedures diligently.

8. Policy Review and Updates

This Policy will be reviewed annually or when there is a significant change in business operations, financial exposure, or regulatory environment.

Approved By: Board Of Directors