

RISK MANAGEMENT POLICY

I. LEGAL FRAMEWORK

Risk Management is a key aspect of the “Corporate Governance Principles and Code of Conduct” which aims to improvise the governance practices across the Company’s activities. 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.

II. OBJECTIVE & PURPOSE OF POLICY

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.

The specific objectives of the Risk Management 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. DISCLOSURE IN BOARD'S REPORT

Board of Directors shall include a statement indicating development and implementation of a risk management policy for the company including identification therein of elements of risk, if any, which in the opinion of the Board may threaten the existence of the company.

IV. BACK GROUND AND IMPLEMENTATION

The Company is prone to inherent business risks. This document is intended to formalize a risk management policy, the objective of which shall be identification, evaluation, monitoring and minimization of identifiable risks.

This policy is in compliance with the amended Clause 49 of the Listing Agreement (w.e.f. 1st October, 2014) which requires the Company to lay down procedure for risk assessment and procedure for risk minimization.

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 Audit Committee.

V. CONSTITUTION OF RISK MANAGEMENT COMMITTEE

Risk Management Committee shall be constituted by the company consisting of such number of directors (executive or non-executive) as the Company thinks fit.

The Board shall define the roles & responsibilities of the Risk Management Committee & may delegate monitoring & reviewing of the risk management plan to the Committee & such other functions as it may deem fit.

VI. APPLICATION

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

VII. ROLE OF THE COMMITTEE

The Board appointed Risk Management Committee will undertake the following actions to ensure risk is managed appropriately:

- Each SBU head will make a presentation annually to the Risk Management Committee including SWOT analysis and giving a 1-year and 5-year outlook of that SBU.
- Every quarter the MD of the company will make a presentation of the business of the company to the Risk Management Committee.
- Review delegation of powers on an annual basis.
- Convene any board-committees that are deemed necessary to ensure risk is adequately managed and resolved where possible.