

Risk Management Policy

[Section 134(3)(n) of the Companies Act, 2013 & Clause 49(VI) of the Listing Agreement]

Framework:

A company needs to have a proactive approach to convert a risk into an opportunity. A business is exposed to various kind of risk such as strategic risk, data security risk, fiduciary risk, credit risk, liquidity risk, reputational risk, environmental risk, competition risk, fraud risk, technological risk etc. It is important for the company to have a structured framework to satisfy that it has sound policies, procedures and practices are in place to manage the key risks under risk framework of the company. A risk management Committee's role is to assist the Board in establishing risk management policy, overseeing and monitoring its implementation.

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.

Objective of policy:

1. To ensure sustainable business growth with stability.
2. To promote a pro-active approach in reporting.
3. Evaluating and resolving risks associated with the business.
4. To establish a framework for the company's risk management process and to ensure its implementation.
5. Enable compliance with appropriate regulations through the adoption of best practice.
6. Assure business growth with financial stability.

CONSTITUTION OF RISK MANAGEMENT COMMITTEE:

The committee shall be constituted with **at least three directors**, majority being independent directors. 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.

Functions:

1. Monitoring and reviewing risk management practices of the Company.
2. To ensure that management has instituted adequate process to evaluate major risks faced by the Company.
3. Assisting the Board in fulfilling its corporate governance oversight responsibilities with regard to identification, evaluation and mitigation of operational, strategic and external environment risks.
4. Reviewing and approving risk-related disclosures.
5. Establishing the role and responsibilities of officers/team who shall be responsible for :
 - Facilitating the execution of risk management practices in the enterprise.
 - Reviewing enterprise risks from time to time, initiating mitigation actions, identifying owners and reviewing progress.
 - Reporting risk events and incidents in a timely manner.

APPLICATION:

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

ROLE OF THE BOARD:

The Board will undertake the following actions to ensure risk is managed appropriately:

1. The Board shall be responsible for framing, implementing and monitoring the risk management plan for the company.
2. The Board shall define the roles and responsibilities of the Risk Management Committee and may delegate monitoring and reviewing of the risk management plan to the Committee and such other functions as it may deem fit.
3. Ensure that the appropriate systems for risk management are in place.
4. The independent directors shall help in bringing an independent judgment to bear on the Board's deliberations on issues of risk management and satisfy themselves that the systems of risk management are robust and defensible.
5. Participate in major decisions affecting the organization's risk profile.
6. Have an awareness of and continually monitor the management of strategic risks.
7. Be satisfied that processes and controls are in place for managing less significant risks.
8. Be satisfied that an appropriate accountability framework is working whereby any delegation of risk is documented and performance can be monitored accordingly.
9. Ensure risk management is integrated into board reporting and annual reporting mechanisms.

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.
