

# **RISK MANAGEMENT POLICY**

## **I. Introduction**

Risk Management is a process to identify and carryout assessment of risks in order to minimize, monitor and control impact of such risks. This improves the corporate governance practices across the company's activities. In order to have a formal process of risk management and proactively manage the risks in compliance with the provisions of the clause 49 of the Listing Agreement with the Stock exchanges, The Company is required to lay down a procedure for risk assessment, monitoring, control, minimization and reporting thereof.

## **II. Objective**

The main objective of this policy is to lay down a procedure for identification and assessment of risks to minimize, monitor and control impact of such risk on the business of the Company to maintain a sustainable growth and to promote a proactive approach in reporting, evaluating and resolving risks associated with the business.

The specific objectives of the Risk Management Policy are:

- a. to ensure that all the current and future material risk exposures of the company are identified, assessed, quantified, appropriately mitigated, minimized and managed.
- b. to establish a framework for the company's risk management process and to ensure its implementation.
- c. to enable compliance with appropriate regulations, wherever applicable, through the adoption of best practices.
- d. to assure business growth with financial stability.

## **III. Risk Management Procedure**

The Board of Directors of the Company and the Audit Committee shall periodically review and evaluate the risk management system of the Company so that the management controls the risks through properly defined framework.

## **IV. Role of the Board**

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

- a. Framing, implementing and monitoring the risk management plan of the Company;
- b. Constitute the Risk Management Committee and define role and responsibilities of the Committee and may delegate monitoring and reviewing of the risk management plan to the committee and such other functions as it may deem fit.
- c. Ensure that systems for risk management, financial and operational control, and compliance with the law and relevant standards;
- d. Ensure optimum exposure to risk;
- e. Ensure that the appropriate systems for risk management are in place.
- f. The independent directors shall help in bringing an independent judgment on the Board's deliberations on issues of risk management and satisfy themselves that the systems of risk management are robust and defensible;
- g. Participate in major decisions affecting the organization's risk profile;
- h. Have an awareness of and continually monitor the management of strategic risks;
- i. Be satisfied that processes and controls are in place for managing less significant risks;
- j. Be satisfied that an appropriate accountability framework is working whereby any delegation of risk is documented and performance can be monitored accordingly;
- k. Ensure risk management is integrated into board reporting and annual reporting mechanisms;

## **V. Disclosures 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.

## **VI. Review**

This policy shall be reviewed at a minimum at least every year to ensure it meets the requirements of legislation & the needs of organization.

Constitute the Risk Management Committee and define role and responsibilities of the Committee and may delegate monitoring and reviewing of the risk management plan to the committee and such other functions as it may deem fit.