

RISK MANAGEMENT POLICY

LEGAL FRAMEWORK:

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 Regulation-21(4) the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any statutory modification(s) or any amendment(s) thereto or any substitution(s) or any reenactment (s) made thereof, for the time being in force ('Listing Regulations') which requires the Company to lay down procedure for risk assessment and procedure for risk minimization. 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 network.

INTRODUCTION:

Risk Management is a key aspect of the “**Corporate Governance Principles and Code of Conduct**” which aims to improve 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.

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.

CONSTITUTION OF RISK MANAGEMENT COMMITTEE:

- a. The Board has constituted the “Risk Management Committee” and it is in line with the requirements of the Listing Regulations. This Policy and the Terms of Reference of Risk Management Committee are integral to the functioning of the Risk Management Committee and are to be read together.
- b. The Board has authority to reconstitute the Risk Management Committee from time to time as it deems appropriate.

APPLICABILITY:

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

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:

- i. 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.
- ii. To establish a framework for the Company's risk management process and to ensure its implementation.
- iii. To enable compliance with appropriate regulations, wherever applicable, through the adoption of best practices.
- iv. To assure business growth with financial stability.

ROLE AND RESPONSIBILITIES OF COMMITTEE

The Committee would be the apex body whose responsibilities shall include the following:

- i. To formulate a detailed risk management policy which shall include:
 - a. A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
 - b. Measures for risk mitigation including systems and processes for internal control of identified risks.
 - c. Business continuity plan.
- ii. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- iii. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- iv. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- v. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- vi. The Committee shall coordinate its activities with other committees, in instances where there is any overlap with the activities of such committees, as per the framework laid down by the board of directors.

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. Ensure that the appropriate systems for risk management are in place;

3. 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;
4. Participate in major decisions affecting the organization's risk profile;
5. Have an awareness of and continually monitor the management of strategic risks;
6. Be satisfied that processes and controls are in place for managing less significant risks;
7. Be satisfied that an appropriate accountability framework is working whereby any delegation of risk is documented and performance can be monitored accordingly;
8. Ensure risk management is integrated into board reporting and annual reporting mechanisms;
9. Convene any board-committees that are deemed necessary to ensure risk is adequately managed and resolved where possible.

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.

REVIEW:

The policy shall be reviewed by the Board from time to time as may be necessary.
