

'Risk Management Policy'

1. BACKGROUND:

Risk Management is a key aspect of Corporate Governance Principles and Code of Conduct which aims to improvise the governance practices across the business activities of any organisation. The new Companies Act, 2013 and the Clause 49 of the Equity Listing Agreement have also incorporated various provisions in relation to Risk Management policy, procedure and practices.

The provisions of Section 134(3)(n) of the Companies Act, 2013 necessitate that the Board's Report should contain 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.

Further, the provisions of Section 177(4)(vii) of the Companies Act, 2013 require that every Audit Committee shall act in accordance with the terms of reference specified in writing by the Board which shall inter alia include evaluation of risk management systems.

In line with the above requirements, Company has adopted the following "Risk Management Policy" for the Company

2. PURPOSE AND SCOPE OF THE 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 Company's business. In order to achieve the key objective, this Policy establishes a structured and disciplined approach to Risk Management, in order to guide decisions on risk related issues.

The specific objectives of this Policy are:

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

3. RISK FACTORS:

The objectives of the Company are subject to both external and internal risks that are enumerated below:-

- External Risk Factors
 - Economic Environment
 - Political Environment
 - Competition
 - Revenue Concentration
 - Inflation and Cost structure
 - Technology Obsolescence
 - Fluctuations in Foreign Exchange



➤ Internal Risk Factors

- Quality Issue
- Environmental Management
- Human Resource Management

4. **RESPONSIBILITY FOR RISK MANAGEMENT:**

Generally every staff member of the Organisation is responsible for the effective management of risk including the identification of potential risks. Management is responsible for the development of risk mitigation plans and the implementation of risk reduction strategies. Risk management processes should be integrated with other planning processes and management activities.

5. **COMPLIANCE AND CONTROL:**

All the Senior Executives under the guidance of the Chairman and Board of Directors has the responsibility for over viewing management's processes and results in identifying, assessing and monitoring risk associated with Organisation's business operations and the implementation and maintenance of policies and control procedures to give adequate protection against key risk.

6. **REVIEW:**

This Policy shall be reviewed at least every year to ensure it meets the requirements of legislation and the needs of organization.

7. **AMENDMENT:**

This Policy can be modified at any time by the Board of Directors of the Company.

A handwritten signature in black ink, appearing to read "A. Sankar", is written over the bottom portion of the page.