

## Preamble

Section 134(3) (n) of the Companies Act, 2013 requires the Company to frame Risk Management Policy to identify various elements of risk and steps taken to mitigate the same.

The company shall have a systems based approach to Business Risk Management. The responsibility of management of Risk lies upon the Board of Directors. However, with a view to ensure effective and efficient execution, the Board may delegate authority and responsibility on the senior management team including departmental heads. The process of risk management includes prioritization of risks, selection of appropriate mitigation strategies and periodic reviews of the process of management of risks.

Risk Management framework shall primarily focus on following elements -

- **Risk to Company Assets and Property** - It will be ensured that there is proper security and maintenance of assets and adequate coverage of insurance to facilitate replacement of assets with minimal disruption to operations. The roles and responsibilities of the departments will be identified to ensure adequate physical security and maintenance of their assets.
- **Employees Related Risks** - Employees constitute the most important assets of the Company. The Human Resources Policies have been evolved over the years with the object of mitigating employee related risks including reducing attrition rate. Adequate legal safeguards shall be provided to protect confidential information, and protect the Company from any probable contractual liability on account of misconduct/errors/omissions of employees.
- **Foreign Currency Risks** - The Company may have revenues and expenditure of the Company once it is fully operational which include earnings and expenditure in foreign exchange. Foreign currency risk management ensures that the treasury department continuously tracks movement of foreign currencies, avails of services of experts, and hedges the risk through appropriate mechanisms.
- **Risks associated with Noncompliance of Statutory enactments** - The Company is a legal entity incorporated under the provisions of the Companies Act, 1956. Its shares are listed on the BSE Limited. The Company is required to ensure compliance of provisions of various applicable statutory enactments.

The Company ensures that qualified professionals shall be employed to comply with various applicable laws. In addition to the statutory audits, the Company also undertakes internal audit/s at different levels periodically to ensure timely check on the statutory compliances.

- **Competition Risks** - Risk of competition is inherent to all business activities. The sector in which the Company will carry its business operations; there will always have an inherent risk of changes in the Industry.

To remain competitive, the Company's strategy in this regard is to continuously keep upgrading its quality of raw material used, designs, size and shapes of the products, and technology, innovating and building up a sustainable team of skilled professionals. This would ensure that the Company has an edge over competition in the market.

- **Operational Risks** - The Company shall constantly work to limit the operational risks that run through all facets of operations. This requires the combined efforts of all business and support units, and the tools required continue to be developed. Apparent trends shall analyzed, and various operating groups combine into task forces to address these. The use of technology shall harnessed for more control. The company also ensures that contracts shall properly drafted and adequate indemnity clauses are incorporated in the contracts entered into with one or more parties.