



Risk Management Policy

Purpose

To keep in line with the current business pressures and to comply with the requirements of sound business practices, a formal enunciation of a risk management policy is needed. The same is elaborated below in its essentials:

Objectives of the Risk Management Policy

1. To establish a policy framework for enterprise Risk management process and thereby enable risk management activities in the Company to more scientific, measureable and capable or incremental improvement.
2. To mitigate and manage current and future risk exposure of the company with reference to safety/material/finances/people welfare and such other elements which contribute to re-enforcing excellence in the Company.
3. To facilitate compliances with relevant regulations in the area of risk management.
4. Any other matter related to the above and the growth of the Company in the domain of risk management.

Structure

1. The Risk management policy will be channelized through a Risk Management Committee which shall be responsible for strategizing the policy and provide periodic feedback to the Board towards the implementation of the Risk Management Policy.
2. For fulfilling its responsibilities besides the ones noted above, the Committee will keep insight the requirements of sound corporate governance over sight and review periodic reports from identified full time executives in relevant areas identified from time to time.
3. The RMC will review and approve disclosure statements in relevant public documents and disclosures of the Company which shall in turn be presented before the Board as per the requirements.
4. The RMC shall be constituted by the Board of which there will be at least 2 independent directors, one of them which function as chairman. Additionally the Company may appoint further members to the committee from the Board who may be full time directors.
5. Notwithstanding the composition of the committee noted above, the Committee can be expanded as per the requirement. At no stage the number of full time executive members will be higher than the number of independent directors.
6. The Committee will have the oversight of the Risk management delivery framework of the Company. Risk Management framework will be a clearly identifiable group in the Company reporting to its head which will be at least of the Rank of Vice President. As





per requirements, the Board may give this responsibility to a serving Vice President who will have an independent charge of this function along with his other responsibilities.

Meetings and Quorum

The committee shall meet at least four times in a year. At least two independent directors present shall form the quorum for the meeting of the committee.

In all matters the overall responsibility of oversight of the Committee will be of the Board of Directors.

Committee responsibilities and authority

1. The Risk Management Committee to periodically assess risks to the effective execution of business strategy and review key leading indicators in this regard.
2. The Risk Management Committee shall evaluate significant risk exposures of the Company and assess management's actions to mitigate the exposures in a timely manner
3. The Risk Management Committee may form and delegate authority to subcommittees when appropriate.
4. The Risk Management Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.
5. The Risk Management Committee shall make regular reports to the Board, including with respect to risk management and minimization procedures.

Any other matter related to the above which committee may feel relevant.

General

1. The Risk Management Committee shall have access to all information necessary to fulfil its responsibilities.
2. It will be open to the RMC to obtain advisories and assistance internal/external on matters, including legal, accounting, regulatory affairs etc.
3. The RMC will be responsible for such other items as may be prescribed by the applicable laws or the Board in compliance with applicable laws of the Land.
4. The RMC may in its judgement periodically commission risk management analysis of the Company.
5. The Board will review the risk Management status of the Company, based on the recommendations of the Committee at least once a year.



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