RISK MANAGEMENT POLICY

1. 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:

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.

2. APPLICABILITY OF THE POLICY:

This Policy applies to all areas of the Company's operations.

Words and expressions used and not defined in this Policy but defined in the Act, the rules made thereunder and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR), shall have the meanings respectively assigned to them in those legislation.

3. KEY DEFINITIONS :

Risk Assessment:

The systematic process of identifying updating and analyzing industry risks macro-economic risk affecting the Company. Risk Assessment consists of a detailed study of Categorization of risks (internal/External and controllable /uncontrollable) based on Root Cause Analysis threats and vulnerability and resultant exposure to various risks.

Risk Management:

The systematic way of protecting business resources and income against losses so that the objectives of the Company can be achieved without unnecessary interruption. Impact assessment to ascertain potential severity and likelihood of occurrence of the Risk f**ollowed by categorization into** Low, Medium and High.

3. Risk Management Process:

The systematic application of management policies, procedures and practices to the tasks of establishing the context, identifying, analyzing, evaluating, treating, monitoring of mitigation plans which includes Accept, Reduce, Share and Avoid or Eliminate and communicating risk.

4. RISK FACTORS :

Risk is an event which can prevent, hinder and fail to further or otherwise obstruct the enterprise in achieving its objectives. A business risk is the threat that an event or action will adversely affect an enterprise's ability to maximize stakeholder value and to achieve its business objectives. Risk can cause financial disadvantage, for example, additional costs or loss of funds or assets. It can result in damage, loss of value and /or loss of an opportunity to enhance the enterprise operations or activities. Risk is the product of probability of occurrence of an event and the financial impact of such occurrence to an enterprise.

The Company recognizes that risk is an integral part of business and is committed to managing the risks in a proactive and efficient manner. Your Company periodically assesses risk in the internal and external environment, along with the cost of treating risks and incorporates risk treatment plans in its strategy, business and operational plans.

(a) **Strategic Risk** are associated with the primary long-term purpose, objectives and direction of the business.

(b)**Operational Risks** are associated with the on-going, day-to-day operations of the enterprise.

(c)**Financial Risks** are related specifically to the processes, techniques and instruments utilized to manage the finances of the enterprise, as well as those processes involved in sustaining effective financial relationships with customers and third parties.

(d)**Knowledge Risks** are associated with the management and protection of knowledge and information within the enterprise.

(e)Inherent Risks: The risk management process focuses on areas of high inherent risk, with these documented in the Risk Register. Recent performance in delivering a core service that is below expectations or does not meet agreed targets should be considered an indicator of high inherent risk.

(f) Residual Risks: Upon implementation of treatments, there will still be a degree of residual (or remaining) risk, with the expectation that an unacceptable level of residual risk would remain only in exceptional circumstances.

(g) Risk Appetite: Risk appetite is the amount of risk, on a broad level, an organization is willing to accept in pursuit of value.

5. RESPONSIBILITY FOR RISK MANAGEMENT:-

RESPONSIBILITY OF THE BOARD: As per Section 134 (3)(n) of the Companies Act, 2013, applicable rules made thereunder (the Act, for short), The Board of Directors' report must include a statement indicating development and implementation of a risk management policy for the Company including identification of elements of risk, if any, which in the opinion of the Board may threaten the existence of the Company.

Your Company, through its risk management process, strives to contain impact and likelihood of the risk within the risk appetite as agreed from time to time with the Board of Directors.

RESPONSIBILITY OF THE AUDIT COMMITTEE: As per Section 177 (4)(vii) of the Act, the Audit Committee shall act in accordance with the terms of reference specified in writing by the Board which shall, inter alia, include evaluation of internal financial controls and risk management systems.

RESPONSIBILITY OF THE INDEPENDENT DIRECTORS: As per Schedule IV [Part II (Role and functions under point 4] of the Act, Independent directors should satisfy themselves that financial controls and the systems of risk management are robust and defensible.

6. 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 Organizations business operations and the implementation and maintenance of policies and control procedures to give adequate protection against key risk. In doing so, the Senior Executive considers and assesses the appropriateness and effectiveness of management information and other systems of internal control, encompassing review of any external agency in this regards and action taken or proposed resulting from those reports.

7. REVIEW OF POLICY AND REPORTING:

The Committee will review the Policy as and when required, which will include an assessment of the effectiveness of the Policy. The Committee will discuss any revisions that may be required and recommend any such revisions to the Board for approval.

The Audit Committee had reviewed the proposal at its meeting held on 8.8.2015 and the Chairman of the Audit Committee briefed the board about the recommendation of the Committee.

The Board may, as and when required by the Committee, assess the adequacy of this Policy and make any necessary or desirable amendments to ensure it remains consistent with the objectives and applicable law.

The Committee shall report to the Board on all matters arising at the Committee Meetings and, where applicable, shall present the Committee's recommendations to the Board for its approval. In case of any conflict between the provisions of this Policy and LODR or the Companies Act, 2013 or any other statutory enactments, the provisions of LODR or the Companies Act, 2013 or other statutory enactments, shall prevail over this Policy.

The Company has adopted a Risk Management Policy for a systematic approach to control risks. The Risk Management Policy of the Company lays down procedures for risk identification, evaluation, monitoring, review and reporting. The Risk Management Policy has been developed and approved by the Senior Management in accordance with the business strategy.

This Policy is formulated taking in view extant provisions of the LODR / the Companies Act, 2013 / other applicable statutory enactments. In case of any confusion or doubt with respect to any provision of this Policy or as and when the Committee / Board deems necessary to review this Policy or its provisions, the Committee / Board will take an appropriate decision. Further, this Policy and its provisions are subject to any modification, revision, replacement, variation, deletion, addition or amendment in accordance with the regulatory amendments and guidelines as may be issued / imposed by SEBI or any other competent authority, from time to time.