

Legal Framework:

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.

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:

1. 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.
2. To establish a framework for the company's risk management process and to ensure its implementation.
3. To enable compliance with appropriate regulations, wherever applicable, through the adoption of best practices.
4. To assure business growth with financial stability.

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.

Back Ground And Implementation

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 the amended Clause 49 of the Listing Agreement (w.e.f 1st October 2014) 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.

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:

Risk Management Committee shall be constituted by the company consisting of such number of directors (executive or non-executive) as the Company thinks fit.

The Board shall define the roles & responsibilities of the Risk Management Committee & may delegate monitoring & reviewing of the risk management plan to the Committee & such other functions as it may deem fit.

The Risk Management Committee was constituted by the Board on 12.02.2015 adhering to the requirements of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

The Committee comprises of ;

- Mr. K.S.M. Rao
- Mr. Ashok R Shetty
- Mr. R.V. Ravikumar and
- Mr. Badrinath S.Gandhi

Application

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

Role Of The Committee

The Committee will undertake the following actions to ensure risk is managed appropriately:

- i. Framing of Risk Management Plan and Policy
- ii. Overseeing implementation of Risk Management Plan and Policy
- iii. Monitoring of Risk Management Plan and Policy
- iv. Validating the process of risk management
- v. Validating the procedure of Risk Minimization
- vi. Periodically reviewing and evaluating the Risk Management Policy and practices with respect to risk assessment and risk management processes
- vii. Continually obtaining reasonable assurance from management that all known and emerging risks have been identified and mitigated or managed.
- viii. Performing such other functions as may be necessary or appropriate for the performance of its oversight function.

Review:

This policy shall be reviewed at a minimum at least every year to ensure it meets the requirements of legislation & the needs of organization.