

## **RISK MANAGEMENT POLICY**

**Adopted by the Board of Directors at their meeting held on 12th March, 2015  
[Section 134 of the Companies Act, 2013 read with Clause 52].**

### **INTRODUCTION:**

Risk can be defined as the combination of the probability of an event and its consequences. Oxford Dictionary defines the term “risk” as a chance or possibility of danger, loss, injury or other adverse consequences. Risk Management is attempting to identify and then manage threats that could severely impact or bring down the organization. Generally, this involves reviewing operations of the organization, identifying potential threats to the organization and the likelihood of their occurrence, and then taking appropriate actions to address the most likely threats.

Risk may also be defined as the possibility that an event will occur and adversely affect the achievement of the Company’s objectives and goals. A business risk is the threat that an event or action will adversely affect an organization’s ability to achieve its business objectives/targets. Business risk arises as much from the possibility that opportunities will not be realized as much from the fact that certain threats could well materialize and that errors could well be made.

### **RISK MANAGEMENT:**

Risk Management is a structured, consistent and continuous process, applied across the organization for the identification and assessment of risks, control assessment and exposure monitoring.

The objective of the risk management framework of Silverpoint Infratech Limited comprises the following:

- To identify, assess, prioritize and manage existing as well as new risks in a planned and coordinated manner.
- To increase the effectiveness of internal and external reporting structure.
- To develop a risk culture that encourages employees to identify risks and associated opportunities and respond to them with appropriate actions.

### **OBJECTIVE AND PURPOSE:**

The main objective of this policy is to ensure sustainable 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 Company has identified following initiatives to achieve its risk management objectives:

- Review and assess the quality, integrity and effectiveness of the risk management systems.
- To establish a framework for the Company's risk management process and to ensure its implementation.
- Review and assess the nature, role, responsibility and authority of the risk management function within the Company and outline the scope of risk management work.
- To enable compliances with appropriate regulations, wherever applicable, through the adoption of best practices.
- Review the processes and procedures to ensure the effectiveness of internal systems of control so that decision-making capability and accuracy of reporting and financial results are always maintained at an optimal level.
- Continuous monitoring and management to an acceptable level of the potential impact.
- Integration of risk management into the Company's day-to-day operations.
- To ensure business growth with financial stability.

#### **BACKGROUND 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 Clause 52 of the Listing Agreement 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.

#### **APPLICATION:**

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