



## RISK MANAGEMENT POLICY

### 1. SCOPE AND PURPOSE OF THE POLICY

The Companies Act, 2013 (“Act”) read with the Rules framed there under and Clause 49 of the Listing Agreement (as amended by SEBI Circulars dated April 17, 2014 and September 15, 2014) requires every Listed Company to formulate a policy on Risk Management. Considering this requirement Techtran Polylenses Limited (“TPL” or “the Company”) has framed this Policy on Risk Management (“Policy”). This Policy has been adopted by the Board of Directors of the Company. The Board can review and amend the Policy, as and when required.

The objective of the risk management committee of the Board of Directors (the "Board") of the Company shall be to assist the Board in fulfilling its corporate governance oversight responsibilities with regard to the identification, evaluation and mitigation of strategic, operational, and external environment risks. The Committee has overall responsibility for monitoring and approving the risk management framework and associated practices of the Company. The risk management committee is also responsible for reviewing and approving risk disclosure statements in any public documents or disclosures.

### 2. DEFINITIONS

- 2.1 “**Act**” means Companies Act 2013 and the rules framed thereunder, including any modifications, amendments, clarifications, circulars or re-enactments thereof.
- 2.2 “**Board of Directors**” or “**Board**” means the Board of Directors of the Company.
- 2.3 “**Company**” or “**TPL**” means Techtran Polylenses Limited.
- 2.4 “**Key Managerial Personnel**” means the Key Managerial Personnel of the Company in terms of the Act.
- 2.5 “**Listing Agreement**” means Equity Listing agreement of the Company with stock exchange.
- 2.6 “**Policy**” means this policy on risk management, including amendments from time to time, if any.

### 3. COMMITTEE MEMBERSHIP:

The risk management committee shall be appointed by and will serve at the discretion of the Board. The risk management committee shall consist of not less than three members, majority of whom shall consist of members of the Board. The Chairman of the risk management committee shall be a member of the Board.



#### **4. ROLE AND RESPONSIBILITIES OF THE COMMITTEE:**

- The risk management committee shall annually review and approve the Risk Management Framework of the Company.
- The risk management committee shall periodically review the risk management processes and practices of the Company and ensure that the Company is taking the appropriate measures to achieve prudent balance between risk and reward in both ongoing and new business activities.
- 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.
- The risk management committee will coordinate its activities with the Audit Committee in instances where there is any overlap with audit activities (e.g. internal or external audit issue relating to risk management policy or practice).
- The risk management committee may form and delegate authority to subcommittees when appropriate.
- The risk management committee shall make regular reports to the Board, including with respect to risk management and minimization procedures.
- The risk management committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.
- The Board shall review the performance of the risk management committee annually.
- The risk management committee shall have access to any internal information necessary to fulfil its oversight role.
- The risk management committee shall also have authority to obtain advice and assistance from internal or external legal, accounting or other advisors.
- The role and responsibilities of the risk management committee shall include such other items as may be prescribed by applicable law or the Board in compliance with applicable law, from time to time.

#### **5. RISK ASSESSMENT**

The process of Risk Assessment covers the following:

(a) Risk Identification & Categorization- means Company's exposure to uncertainty classified as Strategic/ Operational/Financial/Compliance/Environmental.

(b) Risk Description refers to the method of reporting and recording the company's identified risks in a structured manner.

(c) Risk Estimation is the process for estimating the cost of likely impact in quantitative and qualitative terms.



## **Identification and Categorisation of Risks**

From the perspective of the company, the risks are of following nature:

(i) Strategic Risk - Those risks associated with operating in a particular industry and include risks arising from merger and acquisition activity, demand changes or changes in customers, industry changes and R&D. These risks pose threats or opportunities which materially affect the ability of the organisation to survive.

(ii) Compliance Risk - Those associated with the need to comply with laws and regulations. They also apply to the need to act in a manner which stakeholders and customers expect.

(iii) Operational Risk - Those associated with the company's operational and administrative procedures which inter-alia include accounting controls, regulations, recruitment, IT systems, board composition, contractual risks and exposures, organisational risks and exposures.

(iv) Financial Risk - Those associated with financial structure of the company, its transactions and the financial system in place.

(v) Environmental Risk - Those associated with release of polluting materials, environmental performance/compliance limits, business opportunities and breach of regulations.

## **6. PRACTICES TO BE FOLLOWED BY THE COMPANY**

Regular Update - To ensure a regular update of the risk register.

Communication Channel - Highlighting instances of success and failures through Corporate Risk Updates.

Standing Agenda Item - Discussions at every Performance Review Meetings being scheduled item and potential cases to be covered in the Audit Committee and Board Meetings Agenda.

Open Forum - Creation of free open forum to report and discuss risks those required attention of Management.

Progress Monitoring - Constantly monitoring progress of risk management process in the HODs meetings.