



Frick India Limited

Regd. Office: 21.5 KM, Main Mathura Road, Faridabad – 121003 Haryana
Delhi Office: 809, Surya Kiran Building, K.G. Marg, New Delhi – 110001
CIN: L74899HR1962PLC002618

Risk Management Policy*

[Pursuant to Regulation 17 (9) of the SEBI (Listing Obligations & Disclosure Requirement) Regulations, 2015]

BACKGROUND:

Risks are events or conditions that may occur, and whose occurrence, if it takes place, has a harmful or negative impact on the achievement the organization's business objectives.

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 Regulation 17 (9) of the SEBI (Listing Obligations & Disclosure Requirement) Regulations, 2015 which requires the Company to lay down procedure for risk assessment and procedure for risk minimization.

OBJECTIVE AND PURPOSE:

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 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 ensure business growth with financial stability.

APPLICATION

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

RISK MANAGEMENT POLICY STATEMENT

The policy statement is as given below:

- To ensure protection of shareholder value through the establishment of an integrated risk management framework for identifying, assessing, mitigating, monitoring, evaluating and reporting of all risks.

- To provide clear and strong basis for informed decision making at all levels of the organization.
- To continually strive towards strengthening the Risk Management System through continuous learning and improvement.

PRINCIPLES OF RISK MANAGEMENT

1. All business decisions will be made with prior information and acceptance of the risk involved.
2. The Risk Management Policy shall provide for the enhancement and protection of business from uncertainties and consequential damages.
3. All employees of the Company shall be made aware of the risks in their respective domains and their mitigation measures.
4. Risk tolerance levels will be regularly reviewed and decided upon depending on the change in the Company strategy.
5. The occurrence, progress and status of all risks will be promptly reported and appropriate actions be taken thereof.

IMPLEMENTATION

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 Audit Committee and Board.

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.

ROLE OF THE BOARD

The Board shall undertake the following actions to ensure risk is managed appropriately:

- The Board shall be responsible for framing, implementing and monitoring the risk management plan for the Company;
- Ensure that the appropriate systems for risk management are in place;
- The Independent Directors shall help in bringing an independent judgment to bear on the Board's deliberations on issues of risk management and satisfy themselves that the systems of risk management are robust and defensible;
- Participate in major decisions affecting the Company's risk profile;
- Continually monitor the management of strategic risks;
- Ensure risk management is integrated into Board reporting and annual reporting mechanisms.

DISCLOSURE IN BOARD'S REPORT

Board of Directors shall include a statement indicating development and implementation of 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.

REVIEW OF THE POLICY

This policy will be reviewed every year or as and when required due to the changes in the risk management regulations / standards / best practices as appropriate to ensure it meets the requirements of legislation and the needs of the organization.

**The above Policy has been duly approved by the Board of Directors of Frick India Limited on 11.02.2016.*