

PRITISH NANDY COMMUNICATIONS LTD

RISK MANAGEMENT POLICY

BACKGROUND

This document lays down the framework of Risk Management at Pritish Nandy Communications Limited (hereinafter referred to as the ‘Company’) and defines the policy for the same.

This document shall be under the authority of the Company. It seeks to identify risks inherent in any business operations of the Company and provides guidelines to define, measure, report, control and mitigate the identified risks.

OBJECTIVE

The objective of Risk Management at Pritish Nandy Communications Limited is to safeguard the shareholders value by minimizing threats or losses, and identifying and maximizing opportunities. An enterprise-wide risk management framework is applied so that effective management of risks is an integral part of every employee’s job.

REGULATORY

Risk Management Policy is framed as per the following regulatory requirements:

Under the Companies Act, 2013

1. Provisions of the Section 134(3)

“There shall be attached to financial statements laid before a company in general meeting, a report by its Board of Directors, which shall include” —

(n) 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.

2. Section 177(4) stipulates:

Every Audit Committee shall act in accordance with the terms of reference specified in writing by the Board.

(vii) evaluation of internal financial controls and risk management systems.

3. SCHEDULE IV

[Section 149(8)]

Code of independent directors.

II. Role and functions:

The independent directors shall:

- (1) help in bringing an independent judgment to bear on the Board's deliberations especially on issues of risk management.
- (2) satisfy themselves systems of risk management are robust and defensible;

4. Clause 49

Key functions of the Board

The board should fulfill certain key functions, including:

- a. Reviewing and guiding risk policy.

Management shall lay down procedures to inform Board members time to time about the risk assessment and minimization procedures.

APPLICABILITY

This Policy shall come into force with *effect from 10th February 2015*