



MODERN INSULATORS LIMITED

POLICY ON RISK MANAGEMENT

RISK MANAGEMENT POLICY

INTRODUCTION

Risk management is to identify and manage threats that could severely impact 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. This document is intended to formalize a risk management policy for identification, evaluation, monitoring, and minimizing identifiable/unidentifiable risks.

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.

Objectives of Risk Management Policy:

- (i) To ensure that all the current and future material risk exposures of the company are identified, assessed, quantified and appropriately mitigated, minimized & managed i.e. to ensure adequate systems for risk management.
- (ii) To establish a framework for the company's risk management process and to ensure its implementation.
- (iii) To enable compliance with appropriate regulations, wherever applicable, through the adoption of best practices.
- (iv) To ensure business growth with financial stability.

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 Audit Committee.

ROLE OF THE BOARD

The Board will 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;
- 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 organization's risk profile;
- Have an awareness and continually monitor the management of strategic risks;
- Ensure that processes and controls are in place for managing less-significant risks;

- Ensure risk management is integrated into board reporting and annual reporting mechanisms; and
- Convene any board-committees that are deemed necessary to ensure risk is adequately managed and resolved wherever possible.

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.

REVIEW

This policy shall be reviewed at least once in a year to ensure the requirements of legislation and the needs of organization.
