



RISK MANAGEMENT POLICY

1. Foreword

1.1. Objective

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 ("Risk Management Policy") establishes a structured and disciplined approach to Risk Management, including the development of the Risk Register, in order to guide decisions on risk evaluating & mitigation related issues. Risk management is identifying and managing threats that could severally impact the business or 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.

The Risk Management Policy is in compliance with the provisions of the Companies Act, 2013, which requires the Company to lay down procedures about risk assessment and risk minimization.

1.2. Applicability

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

2. Definitions

2.1 Company: It means "Autoriders International Limited".

2.2 Risk: Risk in literal terms can be defined as the effect of uncertainty on the objectives. A business risk is the threat that an event or action will adversely affect an enterprise's ability to maximize stakeholder value and to achieve its business objectives.



M. K. Chaudhari



- 2.3 Risk Management:** 'Risk Management' is the process of systematically identifying, quantifying, and managing all risks and opportunities that can affect achievement of a corporation's strategic and financial goals.
- 2.4 Risk Assessment:** 'Risk Assessment' is defined as the overall process of risk analysis and evaluation.
- 2.5 Risk Register:** A 'Risk Register' is a tool for recording the risks identified under various operations.
- 2.6 Risk Management Policy:** 'Risk Management Policy' is a statement of the overall intentions and direction of an organization related to Risk Management.
- 2.7 Risk Identification:** 'Risk Identification' is a process of finding, recognizing and describing risks.
- 2.8 Risk Treatment:** 'Risk Treatment' is a process to modify a Risk. It that deals with negative consequences is also referred to as 'Risk Mitigation', 'Risk Elimination', 'Risk Prevention' and 'Risk Reduction'.

It can create new risks or modify existing Risks.

3. Risk Management

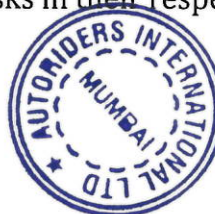
The Risk Management involves the systematic application of policies, procedures and checks to identify potential risks and lessen their impact on Business. This involves:

- Identifying potential risks;
- Assessing their potential impact on the business
- Taking timely action to minimize the potential impact, and
- Monitoring and reporting on the status of key risks on a regular basis.

This also includes being conscious of changes in the environment and the impact of these changes which may have on risk profile. Risk Management process would be continuous process and not be a one-time activity.

Principles of Risk Management:

- The Risk Management shall provide reasonable assurance in protection of business value from uncertainties and consequent losses.
- All concerned process owners of the Company shall be responsible for identifying & mitigating key risks in their respective domain.



M. M. Mandavi



- The occurrence of risk, progress of mitigation plan and its status will be monitored on periodic basis.

4. Risk Governance

4.1. The responsibility of day to day oversight and management of the Company's risk management program has been conferred upon the Board of Directors. The Board of Directors are responsible for ensuring that the Company maintains effective risk management and internal control systems and processes, and provides regular reports to the Board on the effectiveness of the risk management program in identifying and addressing material business risks.

4.2 Terms of Reference of Board of Directors regarding Risk Management:

- a. managing and monitoring the implementation of action plans developed to address material business risks within the Company and its business units, and regularly reviewing the progress of action plans;
- b. setting up internal processes and systems to control the implementation of action plans;
- c. regularly monitoring and evaluating the performance of management in managing risk;
- d. providing management and employees with the necessary tools and resources to identify and manage risks;
- e. regularly reviewing and updating the current list of material business risks;
- f. ensuring compliance with regulatory requirements and best practices with respect to risk management;
- g. evaluate risks related to cyber security and ensure appropriate procedures are placed to mitigate these risks in a timely manner;
- h. 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);
- i. access to any internal information necessary to fulfil its oversight role;
- j. authority to obtain advice and assistance from internal or external legal, accounting or other advisors;
- k. 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;



M. M. Maudani



5. Risk Management:

General

Risk Management process includes five activities: Risk Identification, Risk Assessment, Risk Prioritization, Risk Mitigation and Risk Monitoring & Reporting.

A. Risk Identification

*The purpose of risk identification is to identify internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability, information, cyber security risks or any other risk as may be determined by the Committee and the events that can have an adverse impact on the achievement of the business objectives. All risks identified are documented in the form of Risk Register.

B. Risk Assessment

Risk Assessment involves quantification of the impact of risks to determine potential severity and probability of occurrence. Each identified risk is assessed on two factors which determine the risk exposure:

- i. Impact if the event occurs;
- ii. Likelihood of event occurrence

Risk Categories: It is necessary that risks are assessed after taking into account the existing controls, so as to ascertain the current level of risk. Based on the above assessments, each of the Risks can be categorized as – Low, Medium and High.

C. Risk Prioritization

After the risk assessment is completed, the Board of Directors shall prioritize the key risks to determine which risks are considered critical and need to be addressed on a priority basis.

All risks that fall in the red zone are considered high risk and require immediate attention in terms of Risk Management.



Munish Chaudhary



D. Risk Mitigation

The following framework shall be used for implementation of Risk Mitigation:

- i. Once the top or critical risks are prioritized, appropriate risk mitigation and management efforts to effectively manage these risks are identified.
- ii. Risk mitigation strategy, systems and processes for internal control of identified risks involves identifying a range of options for treating risk, assessing those options, preparing and implementing risk treatment plans. The risk mitigation strategies may include managing the risk through implementation of new internal controls, accepting certain risks, taking insurance, and finally avoiding certain activities that result in unacceptable risks.
- iii. Risk mitigating strategy would further involve Business continuity plan which would include conducting a business impact analysis, identifying resources needed with a gap analysis and implementing recovery strategies essential to bouncing back after an unanticipated event.

E. Risk Monitoring & Reporting

The Board of Directors shall monitor the critical risk and find out relevant solution for the same.

5 Review of Risk Management Policy

The Board of Directors shall be responsible for implementation of the policy. The policy document shall be reviewed and approved by the Board of Directors.

6 Amendment

Any change in the Policy shall be approved by the Board of Directors of the Company. The Board of Directors shall have the right to withdraw and/or amend any part of this Policy or the entire Policy, at any time, as it deems fit, or from time to time, and the decision of the Board in this respect shall be final and binding. Any subsequent amendment/modification in the Companies Act, 2013 or the Rules framed thereunder or the Listing Regulations and/or any other laws in this regard shall automatically apply to this Policy.



M. S. Daudani