



## **RISK MANAGEMENT POLICY**

### **1. Introduction**

Risk Management is an integral part of the Company's plans and operations. While FDC has a proven ability to successfully take on challenges, the efforts are to become even more proactive in recognizing and managing risks, through an organized framework. The Company recognizes risk management as an integral component of good corporate governance and fundamental in achieving its strategic and operational objectives.

### **2. Definitions**

This policy defines the following key terms:

- a. **Risk** is defined as the chance of a future event or situation, happening, that will have an impact upon the Company's objectives, favourably or unfavorably. It is measured in terms of consequence and likelihood.
- b. **Risk Management** encompasses risk assessment, plus the evaluation of risks, against established tolerances, their treatment and monitoring.

### **3. Risk Management Committee**

The Company, through its Board of Directors, shall constitute a Risk Management Committee, consisting of majority of Board members. The Board shall define the roles and responsibilities of the Risk Management Committee and may delegate monitoring and reviewing of the Risk Management plan, to the Committee, and such other functions as it may deem fit.

### **3. Methodology**

The Company applies Risk Management in a well-defined, integrated framework, which promotes awareness of risks and an understanding of the Company's risk tolerances. The Risk Management Committee monitors the internal control system, designed to identify, assess, monitor and manage risks, associated with the Company.

The Risk Management Framework enables an orderly approach to risk identification and minimization of the Company's losses, leverage of any opportunities and provides treatment strategies to manage, transfer and avoid various risks.

### **4. Scope**

This Policy applies to all the Employees of the Company, including the Senior Managers. The Policy also applies to contractors and consultants, working on behalf of FDC.

The FDC Risk Management Policy and Risk Management Framework have been developed to include the following key categories:

- a. Domestic Business
- b. International Business
- c. Distribution/collection/debtors



- d. Personnel Risks
- e. Financial Risks
- f. Intellectual Property Rights Protection
- g. Human resources
- h. Business Processes & Systems
- i. Hazardous Operations
- j. Product Liability
- k. International Accreditation Compliance
- l. Corporate Governance and Compliance
- m. Information Security
- n. Pollution Risks
- o. Any other risks

## **5. Responsibilities**

The Board is ultimately responsible for identifying and assessing the nature and extent of internal and external risks that may impact FDC in achieving its strategic objectives. The Board is responsible for determining the Company's risk appetite, overseeing the development and implementation of the Risk Management Framework and maintaining an adequate monitoring and reporting mechanism.

The Internal Audit program must be aligned with the Company's risk profile and is responsible for providing independent assurance, in relation to the effectiveness of processes, to manage particular areas of risk. The scope of Internal Audit's risk-based program is agreed to as part of an annual plan, which is refined, as necessary.

## **6. Reporting**

The Risk Management Committee will, periodically, review the various risks associated with the Company and report the same to the Audit Committee and the Board of Directors, on a quarterly basis.

In addition, Executive Directors, Chief Financial Officer and Company Secretary, with core group functional heads, will regularly monitor the compliances and ensure that the same is presented to the Audit Committee and Board.

## **7. Policy Review**

This Policy shall be subject to review as may be deemed necessary and in accordance with any regulatory amendments. In case of any subsequent changes in the provisions of the Listing Regulations or any other regulations which makes any of the provisions in the policy inconsistent with the Regulations, then the provisions of the Regulations would prevail over the policy and the provisions in the policy would be modified in due course to make it consistent with the Applicable Law.



**COMPOSITION OF RISK MANAGEMENT COMMITTEE**

Mrs. Swati S. Mayekar	Chairperson, Independent Director
Mr. Ameya A. Chandavarkar	Member, CEO-International Business & Executive Director
Mr. Vijay Suresh Maniar	Member, Independent Director
Mr. Shashank Vyapari	Member, Associate Vice President – Technical & Operations
Mr. Anant Kharche	Member, Associate Vice President – Engineering Services & Projects