

UNITECH LIMITED

RISK MANAGEMENT POLICY

PHILOSOPHY

Unitech is committed for conducting its business based on the highest standards of corporate governance. The Company promotes a culture that is based on the principles of good corporate governance – integrity, equity, fairness, individual accountability and commitment to values. This policy is framed to ensure sustainable business growth with stability and to promote a pro-active approach in reporting, evaluating and resolving risks associated with the business.

OBJECTIVES

1. To establish a framework for the Company's Risk Management process and to ensure its implementation.
2. To ensure that all the 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.
3. To enable compliance with appropriate regulations, wherever applicable, through the adoption of best practices.

IDENTIFICATION OF RISKS

Market Risks : Price, Customer tastes, location, sentiments, preferences, competitors.

Macroeconomic Risks: Fluctuation in Interest Rates. Foreign Exchange Rates, Inflation.

Regulatory Risks: changes in Tax/Tariff Regulations, Building plans/environment clearances,

Project Execution Risks: Risks associated to time, cost, quality & project delivery Management.

This policy is in compliance with the revised Clause 49 of the Listing Agreement 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.

The Head of Departments (HODs) shall be responsible for implementation of the risk management system as may be applicable to their respective areas of functioning and report to the Board and Audit Committee.

CONSTITUTION OF RISK MANAGEMENT COMMITTEE

The Risk Management Committee shall be constituted by the company consisting of such number of Directors (executive or non-executive) and Senior Executives as the Board may think fit. The majority of Committee shall consist of Directors. The Chairman of the Committee shall be a Director.

ROLE OF THE BOARD

- ❖ The Board shall be responsible for framing, implementing and monitoring the risk management plan for the company.
- ❖ 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.
- ❖ 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;
- ❖ The Board shall ensure that:
 - the appropriate systems for risk management are in place;
 - an appropriate accountability framework is working whereby any delegation of risk is documented and performance can be monitored accordingly;
 - risk management is integrated into board reporting and annual reporting mechanisms;

DISCLOSURE IN BOARD'S REPORT

The Board's Report 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 as may be deemed fit by Board of Directors to ensure it meets the requirements of legislation & the needs of organization.