

RISK MANAGEMENT POLICY

OF

UNITED POLYFAB GUJARAT LIMITED

*(U/s 134 (3) (n) of the Companies Act, 2013 and Clause 49 (VI)
of the Amended Listing Agreement)*

BACKGROUND & OBJECTIVE

RISK a situation involving exposure to danger. Risk involves the chance an investment's actual return will differ from the expected return. This document lays down the framework of Risk Management at '**UNITED POLYFAB GUJARAT LIMITED**' (hereinafter referred to as the 'Company' or 'UPGL') and defines the policy for the same. Risk management Policy (RMP) has the task of identifying risks, measuring the probability and the possible impact of events, and treating risks, eliminating or reducing their effect with the minimum investment of resources.

REQUIREMENT AS PER COMPANIES ACT, 2013

Responsibility of the Board: As per Section 134(n) of the Act, The Board of Director's report must include a statement indicating development and implementation of a risk management policy for the Company including identification of elements of risk, if any, which in the opinion of the Board may threaten the existence of the Company.

Responsibility of the Audit Committee: As per Section 177 (4)(vii) of the Act, the Audit Committee shall act in accordance with the terms of reference specified in writing by the Board which shall, inter alia, include evaluation of internal financial controls and risk management systems.

Responsibility of the Independent Directors: As per Schedule IV [Part II-(4)] of the Act, Independent directors should satisfy themselves that financial controls and the systems of risk management are robust and defensible.

REQUIREMENT OF CLAUSE 49 OF THE LISTING AGREEMENT

Responsibility of the Audit Committee: The role of the audit committee shall include the reviewing of the company's financial and risk management policies.

Requirement for revised Clause 49(VI) (C): "The Company through its Board of Directors shall constitute a Risk Management Committee. 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. "

APPLICABILITY

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

STEPS IN RISK MANAGEMENT



COMPLIANCE AND CONTROL

All the Senior Executives under the guidance of the Chairman and Board of Directors has the responsibility for over viewing management's processes and results in identifying, assessing and monitoring risk associated with Organisation's business operations and the implementation and maintenance of policies and control procedures to give adequate protection against key risk. In doing so, the Senior Executive considers and assesses the appropriateness and effectiveness of management information and other systems of internal control, encompassing review of any external agency in this regards and action taken or proposed resulting from those reports.

The risk management policy will cover the following areas:

- Assessment of the Company's risk profile and key areas of risk in particular.
- Recommending to the Board and adopting risk assessment and rating procedures.
- Examining and determining the sufficiency of the Company's internal processes for reporting on and managing key risk areas.
- Assessing and recommending to the Board acceptable levels of risk.
- Development and implementation of a risk management framework and internal control system. On an annual basis, agreeing with the Audit Committee which aspects of the internal audit are nonfinancial aspects to be monitored. In relation to the non-financial aspects of the internal audit:
 - monitoring the progress of the Company's auditors against the audit plan;
 - reviewing all relevant representation letters signed by management;
 - discussing the results of the internal audit with the Company's auditors; inquiring if there have been any significant disagreements between management and the Company's auditors; and monitoring
- Management's response to the Company's auditors' recommendations that are adopted. Initiating and monitoring special investigations into areas of corporate risk and break-downs in internal control.
- Reviewing the nature and level of insurance coverage.

REVIEW

This Policy shall be reviewed at least every year to ensure it meets the requirements of legislation and the needs of organization.

AMENDMENT

This Policy can be modified at any time by the Board of Directors of the Company