RISK MANAGEMENT POLICY

1. BACKGROUND

Pursuant to the provisions of the Companies Act, 2013 and the rules thereunder (the "**Companies Act**") and the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, each as amended (the "**SEBI Listing Regulations**"), the management of Uniparts India Limited (the "**Company**") is required to prepare, maintain and implement a comprehensive framework for risk assessment and management. The Company believes in enabling long term sustainable growth by creating a robust risk management framework involving identification, evaluation & management of risks by partnering with businesses and its associate functions. The objective of this risk management policy (this "**Policy**") is to address risks in a proactive manner to sustain business growth.

2. SCOPE OF THE POLICY

This Policy shall be applicable to all operations and functions of the Company and its subsidiaries from time to time, and shall operate in conjunction with other business and administrative policies.

3. RISK MANAGEMENT PROCESS

Risk management process shall comprise of the following steps:

- Risk Identification
- Risk Analysis and Evaluation
- Risk Mitigation
- Risk Monitoring and Review

3.1 Risk Identification:

Risks that impact the Company's business are broadly classified as follows:

(i) **Strategic Risks (Responsibility: Top Management)**

Strategic risks are the risk arising due to the management decisions with respect to market, business growth, delivery model, etc. which can have adverse effect on the business objectives. This can further impact sustainability of business in the long term.

(ii) **Legal Risks (Responsibility: Legal Team)**

For all legal and related issues, advice must be sought from the legal department of the Company. If there is any deviation from the standard clauses, legal department shall suitably approve the said changes.

(iii) **Business Risks (Responsibility: Business Heads)**

Business risks are the risks which impose uncertainty in revenues or risk of losses which could be harmful to business, e.g. project management & time risks, client preferences, increase in competition etc.

(iv) **Operational & Technical Risks (Responsibility: Business Heads)**

Operational and technical risks are the risks arising from people, systems and processes through which the Company operates.

3.2 Risk Analysis and Evaluation:

This includes the process of analysing the risks in terms of probability of occurrence and magnitude of impact. 'Impact' and 'probability' determines the 'severity of risk' which aids in prioritizing the risks which requires immediate action.

3.3 Risk Mitigation:

This refers to the process of responding to the risk. Risks need to be prioritized in the process of analysis and evaluation for its mitigation based on its probability, impact and severity. Further, risk proximity (i.e. time window when the risks can surface), complexity of the mitigation plan, funding required are factors that can be considered for prioritizing the mitigation action. Accordingly, the risk can be avoided, reduced, transferred or shared.

(i) **Risk Avoidance:** The situation which gives rise to the risk can be avoided by excluding the activities or conditions that gives rise to risk. This approach is recommended for the risks with high severity.

(ii) **Risk Reduction:** For the risks which cannot be avoided, measures to reduce either the impact of risk or probability of occurrence can be deployed.

(iii) **Risk Transfer:** Transfer the total or partial risk to third party, e.g. client, third party vendor, sub-contractor, insurance company, etc.

(iv) **Risk Acceptance:** The risk with low severity can be accepted. Here, the cost of risk mitigation would be more than the risk exposure.

3.4 Risk Monitoring And Review:

The Board emphasizes that risk management is an on-going process and takes place in all material elements of the Company's organizational structure. Dynamically changing legal and economic environment around the Company necessitates identifying and mitigating the risks in a timely manner. The Board will thus evaluate the risks involved in the business of the Company from time to time.

3.5 Disclaimer Clause

The risks outlined above are not exhaustive and are for information purposes only. Management is not an expert in assessment of risk factors, risk mitigation measures and management's perception of risks. Readers are therefore requested to exercise their own judgment in assessing various risks associated with the Company.

3.6 Assessment of Effectiveness

The Audit Committee is responsible for reviewing and analyzing the effectiveness of the risk management framework and the risk management systems and shall report the same to the Board.

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