RISK MANAGEMENT POLICY
OF
SUYOG TELEMATICS LIMITED

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The Board of Directors has adopted the following policy and procedures with regard to risk management, which lays down the framework of Risk Management at Suyog Telematics Limited (hereinafter referred to as the **'Company'**). It seeks to identify risks inherent in any business operations of the Company and provides guidelines to define, measure, report, control and mitigate the identified risks. Risk management policy and processes will enable the Company to proactively manage uncertainty and changes in the internal and external environment to limit negative impacts and capitalize on opportunities.

OBJECTIVE & PURPOSE OF POLICY

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 and to create and protect shareholder value by minimizing threats or losses, and identifying and maximizing opportunities. In order to achieve the key objective, the policy establishes a structured and disciplined approach to Risk Management, in order to guide decisions on risk related issues.

DEFINITIONS

"Audit Committee" means Committee of Board of Directors of the Company constituted under the provisions of the Companies Act, 2013 and the Listing Regulation.

"Board of Directors" or "Board" in relation to a Company, means the collective Body of Directors of the Company. [Section 2(10) of the Companies Act, 2013]

"Policy" means Risk Management Policy.

LEGAL FRAMEWORK

Risk Management Policy is framed as per the following regulatory requirements:
SEBI Listing Regulations:

Listing Regulation:

- **Regulation 4 (2) (ii) -** Key Functions of the Board

  The Board should fulfill certain key functions, including:

  - Reviewing and guiding corporate strategy, major plans of action, risk policy, annual budgets and business plans, setting performance objectives, monitoring implementation and corporate performance, and overseeing major capital expenditures, acquisitions and divestments.

  - Ensuring the integrity of the listed entity's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards.

- **Regulation 17 - Board of Directors**

  A. The company shall lay down procedures to inform Board members about the risk assessment and minimization procedures.

  B. The Board shall be responsible for framing, implementing and monitoring the risk management plan for the company.

- **Regulation 17(7) – Minimum Information to be placed before Board of Directors (Part A of Schedule II)**

  - Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.

- **Regulation 18 Role of Audit Committee (Part C of Schedule II)**

  The role of the Audit Committee shall include the following:

  - Evaluation of internal financial controls and risk management systems;

Companies Act, 2013:

- **Provisions of the Section 134(3)**

  There shall be attached to financial statements laid before a company in general meeting, a report by its Board of Directors, which 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.

- **Provisions of the Section 177(4)**

  Every 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.

- **Schedule IV [Section 149(8)] - Code for Independent Directors**

  Role and functions:

  The independent directors shall:

  - help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, **risk management,** resources, key appointments and standards of conduct;

  - satisfy themselves on the integrity of financial information and that financial controls and **the systems of risk management** are robust and defensible;

RISK IDENTIFICATION & RISK CONTROL

Risk level = **Consequences** (the outcome severity (injury/illness) of one scenario) * **Exposure** (frequency and duration of exposure of persons to the chosen hazard) * **Probability** (likelihood or chance that the chosen sequence and consequence will occur)

INTERNAL RISK:

Technological risks:

The company strongly believes that technological obsolescence is a practical reality. The telecommunications industry continues to undergo significant technological developments, including the on-going digitization. Technological obsolescence is evaluated on a continual basis and the necessary investments are made to bring in the best of the prevailing technology.

Strategic business risks:

The Company earns revenues primarily by installing and commissioning of Poles, Towers and Optical Fibre Cable ("OFC") Systems in India. Customers use the space on our telecommunication towers to install active communication-related equipment to operate their wireless communications networks. We also offer services to Telecom Operators in installing Telecom Infrastructure on job work basis.

The Company's Board and its business management group have a rich experience within their respective specialised segments, as well as in the telecommunications industry and have benefited from long-standing relationships with certain industry participants in the past.

Suyog Telematics Ltd believes that risk management and internal control are fundamental to effective corporate governance and the development of a sustainable business. Suyog has a robust process to identify key risks across its operations and prioritize relevant action plans that can mitigate these risks. Key risks that may impact the Company's business include:

Cost risks:

The Company controls costs through budgetary mechanism and its review against actual performance with the key objective of aligning them to the financial model. The focus on these initiatives has inculcated across the organization the importance of cost reduction and control.

EXTERNAL RISKS:

1. **Natural disasters damaging telecom networks:**

   The Company's telecom networks are subject to risks of natural disasters or other external factors. The Company maintains insurance for its assets, equal to the replacement value of its existing telecommunications network, which provides cover for damage caused by fire, special perils and terrorist attacks. Such failures and natural disasters even when covered by insurance may cause disruption, though temporary, to the Company's operations. The Company has been investing significantly in business continuity plans and disaster recovery initiatives which will enable it to continue with normal operations and offer seamless service to our customers under most circumstances.

2. **Competition risks:**

   The Company may face competition from both new as well as existing players in this industry. Segments and this may increase demand for the limited content pool, which may in turn contribute to an increase in costs for content acquisition. Further, the prices of commercially compelling content may rise disproportionately due to scarce supply of such content.

3. **Legal and regulatory compliance risks:**

   Legal risk is the risk in which the Company is exposed to legal actions. As the Company is governed by various laws and the Company has to do its business within four walls of law, where the Company is exposed to legal risk exposure.

   Further, the Company is required to avail various approvals, licenses, registrations and permissions for its business activities and each regulatory authority may impose its own requirements or delay or refuse to grant approval.

   The regulatory environment in India continues to be challenging. Recent regulatory developments have significant implications on the future of telephony as well as India's global competitiveness. The entire industry looks to the Government for a fair, transparent and sustainable telecom regime. Amidst this uncertain regulatory environment, the positive feature is that larger players continue to enjoy majority of market share. Considering we derive a substantial portion of our revenues from the three largest telecom players in India, the risk is mitigated to a large extent.

<u>A Specimen of list of risks is as follows:</u>

Interested Parties	Risk	Opportunities
Shareholders	Non compliance of legal requirements	Compliance Officer appointed to check timely compliances
Clients	Penalty - more than 24hrs downtime at one time - cancellation of IP fees	Proper maintenance of towers
Land Owners	Misconception - about radiation	Team put in place for direct corresponding with owners.
AMC contractor for maintenance of towers	Unauthorised occupation	Keeping a check on timely renewal of contracts
Vendors	Delay	Checking timely payments
Suppliers	Environment pollution	Compliance with environmental standards
Bankers	Value of company will drop	Organisations should run without any legal or financial issues and compile with all rules and regulations
Employees	Dissatisfied employees	Employees are being provided with sound working environment

RESPONSIBILTY, COMPLIANCE AND CONTROL:

Every staff member of the Company is responsible for the effective management of risk including the identification of potential risks. The Head of Departments and other Senior Management Persons in the Company at organizational levels under the guidance of the Board / Audit Committee are responsible for the development of risk mitigation plans and the implementation of risk reduction strategies. Risk management processes should be integrated with other planning processes and management activities.

In case of any inconsistency between any of the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 / the Companies Act, 2013 and this Policy or in case of any omission of any of the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 / the Companies Act, 2013 in this Policy, the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 / the Companies Act, 2013, as amended shall prevail or be applicable, as the case may be.

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 in having a complete / proper management's perception of risks. The Management cautions the readers to exercise their own judgment in assessing various risks associated with the Company.

DISCLOSURE IN BOARD'S REPORT

Board of Directors 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.

BACKGROUND AND IMPLEMENTATION

The Company is prone to inherent business risks. This document is intended to formalize a risk management policy, the objective of which shall be identification, evaluation, monitoring and minimization of identifiable risks. Head of Departments 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.

ROLE OF THE BOARD / AUDIT COMMITTEE

The Board will undertake the following actions to ensure risk is managed appropriately:

1. The Board shall be responsible for framing, implementing and monitoring the risk management plan for the company.
2. The Board shall define the roles and responsibilities of the Audit 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. The Board of Directors and the Audit Committee in their meeting shall at least once in every year review the risk management framework and effectively address the emerging challenges in a dynamic business environment and ensure that it meets the requirements of the applicable Laws and the needs of the Organization.
4. The Audit Committee and Board of Directors shall have the power to modify, amend or replace this Policy in part or full as may be thought fit from time to time in their absolute

discretion as far as it is not in contravention of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

5. Ensure that the appropriate systems for risk management are in place.
6. 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;
7. Participate in major decisions affecting the organization's risk profile;
8. Have an awareness of and continually monitor the management of strategic risks;
9. Be satisfied that processes and controls are in place for managing less significant risks;
10. Be satisfied that an appropriate accountability framework is working whereby any delegation of risk is documented and performance can be monitored accordingly;
11. Ensure risk management is integrated into board reporting and annual reporting mechanisms;
12. Convene any board-committees that are deemed necessary to ensure risk is adequately managed and resolved where possible.

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