

RISK MANAGEMENT POLICY

The objective of Risk Management at SAMKRG PISTONS AND RINGS LIMITED is to create and protect shareholders value to the extent practically feasible by identifying and mitigating major operating, and external business risk. Risk management framework is applied in such a manner that the effective management of risks at different levels and different functions is an integral part of every employee's job.

REGULATORY

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

Section 134(3) of Companies Act, 2013 provides that :

"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."

Section 177(4) of Companies Act, 2013 provides that :

"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 of Companies Act, 2013 provides Code for Independent Directors which includes Role and functions of the independent directors as under:

"Help in bringing an independent judgment to bear on the Board's deliberations especially on issues of.....risk management...."

SEBI (LODR) Regulations, 2015

Regulation 4 & 17 stipulates Key functions of the Board and Regulation 18(3) provides Role of the Audit Committee for Evaluation of internal financial controls and risk management systems. The board should fulfill certain key functions, including:

- 1- Reviewing and guiding risk policy.
- 2- Ensuring the integrity of the company's system for risk management .
- 3- Lay down procedure to inform members of Board of Directors about risk assessment and minimization procedure.

SAMKRG PISTONS AND RINGS LIMITED being a listed company is adhere to the regulations made both by the Companies Act, 2013 and Listing Obligations and Disclosures Requirements) Regulations, 2015. In light of this the approach used by SAMKRG PISTONS AND RINGS LIMITED is based on three components:-

1. Risk Governance
2. Risk Identification
3. Risk Assessment and Control



SAMKRG PISTONS AND RINGS LIMITED
L27310TG1985PLC005423
1-201, Divyashakti Complex, 7-1-58, Ameerpet, Hyderabad- 500 016.

The Board is responsible for managing risk on various parameters, at the corporate level the functional heads have to ensure implementation of the risk mitigation measures. The Audit Committee provides oversight and reviews of Risk Management Policy annually.

The Board Identifies and generates a comprehensive list of all potential risks and hazard exposures which covers all possible outcomes under the various risk categories and the external and internal risk factors that are managed in the context of business objectives;

The development and understanding of risk involves consideration of the causes and sources including their positive and negative which may occur. In light of this existing controls including their effectiveness and efficiency are also considered;

Consider options to treat significant and high risk and hazard exposures, evaluate the options and develop and document a risk management strategy or plan for implementation. Everyone at SAMKRG PISTONS AND RINGS LIMITED is responsible for the effective management of risk. All managers and workers are responsible for identifying potential risks, hazards, developing risk mitigation plans, and implementing risk reduction strategies. Key roles include: SAMKRG PISTONS AND RINGS LIMITED Management Team is ultimately responsible for the overseeing and implementation of the organization's system of risk management and the development, maintenance and distribution of the Risk Management Framework.

SAMKRG PISTONS AND RINGS LIMITED is committed to the effective management of risk and will allocate the necessary resources to those responsible for managing this process.

