



**AMSTER LABS LIMITED**  
CIN: U21001CH2024PLC045445

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## **RISK MANAGEMENT POLICY**

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## ❖ INTRODUCTION

The Board of Directors of “**AMSTER LABS LIMITED**” have adopted the following policy and procedures with regard to “Risk Management and Compliance Policy” as defined below. The Board may review and amend this policy from time to time.

The Companies Act, 2013 requires the Board of Directors to devise proper system to ensure compliance with provisions of all applicable laws and to report that such systems are adequate and operating effectively.

## ❖ PURPOSE OF THE POLICY

1. To ensure protection of shareholder value through the establishment of an integrated Risk Management framework for identifying, assessing, mitigating, monitoring, evaluating and reporting of all risks.
2. To provide clear and strong basis for informed decision making at all levels of the organisation
3. To continually strive towards strengthening the “Risk Management & Compliance System” through continuous learning and improvement.

## ❖ DEFINITIONS

“**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] “**Compliance**” means adhering to the requirements of laws, industry and organisational standards/regulations.

“**Compliance Framework**” means a series of activities that when combined are intended to achieve compliance.

“**Governance**” means the processes by which Company is directed, controlled and held to account. It encompasses authority, accountability, stewardship, leadership, direction and control exercised in the organisation.

“**Policy**” means Risk Management and Compliance Policy.

“**Risk**” are events or conditions that may occur, and whose occurrence, if it does take place, has a harmful or negative impact on the achievement of the organization’s business objectives. The exposure to the consequences of uncertainty constitutes a risk.

**“Risk Management”** means the process of systematically identifying, quantifying, and managing all risks and opportunities that can affect achievement of a corporation’s strategic and financial goals.

**“Risk Assessment”** defined as the overall process of risk analysis and evaluation. “Risk Estimation” is the process of quantification of risks.

## ❖ IDENTIFICATION AND CATEGORISATION OF RISKS

Recognizing the kind of risks that company is/may be exposed to, risks will be classified broadly into the following categories:

1. **Strategic Risk:** include the range of external events and trends (like Government policy, competition, court rulings or a change in stakeholder requirements) that can adversely impact the company’s strategic growth trajectory and destroy shareholder value.

### **Strategic Risk include:**

- Organizational Growth.
- Comprehensive range of products.
- Sustain and Growth of Strong relationships with dealers/customers.
- Expanding our presence in existing markets and penetrating new geographic markets.
- Continuing to enhance our industry expertise.
- Enhance our capabilities through technology alliances and acquisitions
- Competition risk
- Technology Obsolescence
- Inflation Risk Economic
- Environment and Market Conditions

2. **Business Risk:** include the risks associated specifically with the company and having an adverse impact on the company’s capability to execute activities critical for business growth, thereby affecting its near-term performance.

### **Strategic Risk include:**

- Raw Material Risk
- Quality Risk
- Foreign Exchange Risk
- Cost Risk
- Compliance with Laws
- Environmental Management

- Culture and values
- Human Resource Management Risk
- Financial Reporting risk

3. **Operational Risk:** are those risks which are associated with operational uncertainties.

**Operational Risk include:**

- Consistent Revenue growth.
- Consistent profitability.
- High quality production.
- Further develop Culture of Innovation.
- Attract and retain quality technical associates and augmenting their training

## ❖ REGULATORY FRAMEWORK

Companies Act, 2013 1. 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.

## ❖ ROLE AND FUNCTIONS

The independent directors shall:

- Help in bringing an independent judgement to bear on the Board's deliberation 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.

## ❖ COMPLIANCE MANAGEMENT PLAN



## ❖ RESPONSIBILITY FOR RISK MANAGEMENT

Generally, every staff member of **AMSTER LABS LIMITED** is responsible for the effective management of risk including the identification of potential risks. Management is 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.

## ❖ 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 Organization'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.

## ❖ RISK AND COMPLIANCE POLICY

The policy lays down a Compliance Framework comprising of the following 4 elements to ensure Compliance

1. **Commitment:** This element comprises – A commitment from the Board and Executive Management to promote effective compliance practices across Company. – A Checklist of Compliance Obligations Identified and assessed.
2. **Implementation:** This element comprises of – Creating a three tier compliance organisational structure with defined roles and responsibilities for implementing of and reporting against this compliance Policy. – Providing Continuous training of staff to create awareness and provide guidance of the requirements under various laws. – Promoting a Compliance culture – By encouraging proactive reporting of potential compliance breaches, issues, incidents and complaints. – Establishing controls to prevent and detect non-compliance.
3. **Monitoring:** This element comprises of – Monitoring and Reporting compliance performance by the Executive Management/Head of the Department relating to their area of operations on a quarterly basis. – Demonstrating compliance through documentation and practice
4. **Improvement:** This element comprises of Continuous improvement of this "Risk & Compliance Management Frame work through periodical review of the same.

## ❖ 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.

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