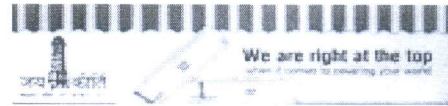




A Infrastructure Limited

POLICY FOR RISK
MANAGEMENT



POLICY FOR RISK MANAGEMENT AS PER CLAUSE 49 OF THE LISTING AGREEMENT

Preamble

Sub-clause IV (C) of the Clause 49 of the Listing Agreement with the Stock Exchanges stipulates that every listed company shall lay down procedures to inform the Board Members about risk management and minimization procedures.

Risk management is the total process of identifying, measuring, and minimizing uncertain events affecting resources. Enterprise risk management is about optimizing the process with which risks are taken and managed. The art of managing risk is more challenging than ever. Losses are inevitable, but one must keep learning from the past. Risk itself is not bad, but risk that is misplaced, mismanaged, misunderstood, or unintended is bad. The Company needs to assess which method best suits its objectives and its business. Risk management oversees and ensures the integrity of the process with which risks are taken. An attempt has been made by way of this document to identify the risk associated with the Company and the policies required to be adopted to mitigate the same.

Risk Management Policies

The primary responsibility for implementation of the risk management policies shall lie upon the Board of Directors. However, with a view to ensure effective and efficient implementation of the policies, the Board may delegate authority and responsibility on various departmental heads. The Company shall periodically review the risks associated with the Company and procedures for managing the same. As and when deemed necessary, necessary changes shall be made to this document.

The Risk Management policy of the Company shall primarily focus on identifying, assessing and managing risks in the following areas:

- A). Company assets and property
- B). Employees
- C). Foreign Currency Risks
- D). Operational Risks
- E). Non-compliance of statutory enactments
- F). Competition risks
- G). Contractual risks



Policy for managing risks associated with Company Assets and Property

The policy deals with nature of risk involved in relation to assets and property, objectives of risk management and measures to manage risk.

The risk management policy relating to assets aims at ensuring proper security and maintenance of assets and adequate coverage of insurance to facilitate speedy replacement of assets with minimal disruption to operations. The role and responsibilities of the departments shall be identified to ensure adequate physical security and maintenance of its assets.

Policy for managing risk relating to employees

The employees constitute the most important asset of the Company. The risk management policy relating to employees is therefore necessary to cover all risks related to employees and their acts/omissions. The policy deals with the nature of risk involved in relation to employees, objectives of risk management and measures to manage risk.

In particular, the objectives of employee related risk management policy aims at reducing attrition rate, providing adequate security to employees in relation to life, disability, accident and sickness, providing adequate legal safeguards to protect confidential information, and protecting the Company from any contractual liability due to misconduct/errors/omissions of employees.

Policy for managing foreign currency risk

Presently, the revenues of the Company are mainly for domestic sources. However, over a period of time, the Company may carry on business in international territories also. The Company at times may resorts to long-term and short-term borrowings in foreign currency to finance expansion plans and growth. Any such move, would attract the risks associated with the frequent changes in valuations of foreign currencies.

The objective of foreign currency risk management is to protect cash flows and profit margins from volatility on account of fluctuations in exchange rates. The policy for foreign currency risk management ensures that the treasury department continuously tracks movement of foreign currencies, avails of services of experts, and hedges the risk through appropriate mechanisms such as forwarding contracts/options.

