

ARROW GREENTECH LIMITED
(Formerly Known as Arrow Coated Products Limited)

Preamble

Section 134(3)(n) of the Companies Act, 2013 requires the Company to frame Risk Management Policy to identify various elements of risk and steps taken to mitigate the same.

As an enterprise engaged in manufacturing of Green Technology Products & environment friendly products, the company has always had a systems based approach to Business Risk Management. The responsibility of management of Risk lies upon the Board of Directors. However, with a view to ensure effective and efficient execution, the Board may delegate authority and responsibility on the senior management team including departmental heads. The process of risk management includes prioritization of risks, selection of appropriate mitigation strategies and periodic reviews of the process of management of risks.

Risk Management framework shall primarily focus on following elements -

- A) **Risk to Company Assets and Property** – It is ensured that there is proper security and maintenance of assets and adequate coverage of insurance to facilitate replacement of assets with minimal disruption to operations. The roles and responsibilities of the departments are identified to ensure adequate physical security and maintenance of their assets.
- B) **Employees Related Risks** - Employees constitute the most important assets of the Company. The Human Resources Policies have been evolved over the years with the object of mitigating employee related risks including reducing attrition rate. Adequate legal safeguards have been provided to protect confidential information, and protect the Company from any probable contractual liability on account of misconduct/errors/omissions of employees.
- C) **Foreign Currency Risks** - The consolidated revenues and expenditure of the Company include earnings and expenditure in foreign exchange. 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.
- D) **Risks associated with Non-Compliance of Statutory enactments** - The Company is a legal entity incorporated under the provisions of the Companies Act, 1956 engaged in providing manufacturing services and its shares are listed on the BSE Limited and National Stock Exchange of India Limited. The Company is required to ensure compliance of provisions of various applicable statutory enactments.

The Company ensures that qualified professionals are employed to comply with various applicable laws. In addition to the statutory audits, the Company also undertakes internal audit/s at different levels periodically to ensure timely check on the statutory compliances.

- E) **Operational Risks** - The Company is constantly working to limit the operational risks that run through all facets of operations. This requires the combined efforts of all business and support units, and the tools required continue to be developed. Apparent trends are analyzed, and various operating groups combine into task forces to address these. The use of technology is harnessed for more control. The company also ensures that contracts are properly drafted and adequate indemnity clauses are incorporated in the contracts entered into with one or more parties.

This policy is amended on 6th August 2016 by the Board of Directors.
