REPRO INDIA LIMITED

RISK MANAGEMENT POLICY

INTRODUCTION

This Policy sets out the risk management activities of the Management. The risks outlined below are not exhaustive but may be extended from time to time. The Board of Directors and the Audit Committee of the Board shall regularly review the risk-return-response scenario. The Team led by the Managing Director is responsible for implementing risk mitigation measures and for driving implementation of such measures to line managers and their teams.

Repro India Limited is committed in creating and maintaining a well structured Risk Assessment and Minimization Programme.

OBJECTS OF RISK ASSESSMENT & MINIMIZATION PROGRAMME:

PRECAUTIONARY: OBJECTS

1. Ensure security of the premises along with the properties, Plant & Machinery.
2. Ensure security of business/revenue.
3. Ensure smooth functioning of business.
4. Ensure compliance with all the applicable laws to avoid any loss that may occur on any non-compliance.

POST LOSS OBJECTS:

1. Immediate drawing of plan of action for budgets of the year and an early recovery
2. Post covid to monitor the situation till the things are normalized.
3. Providing projections and plans for the current year and thoughts and processes for the next 2 years including the business plan

SCOPE:

The scope of the Risk Assessment and Minimization programme shall include our Manufacturing sites, offices and employees.

CLASSIFICATION OF RISKS:

MACRO ECONOMIC RISKS

- **Risk: Raw materials price volatility.**

The price fluctuations of our main raw material i.e. Paper are volatile, hence one has to take the precaution.

Response

Your Company has structured its buying patterns to counter the price fluctuations. But, uncertainty will prevail during the future. The rise in raw material cost could be passed on to customers, but in a few instances it has to be absorbed. Also by entering into long-term contract with suppliers on pre-fixed prices help us eliminate the escalation in the raw material cost to a notable extent.

- **Risk: Volatility in Economic and Political environments**

  Being an internationally known company with its focus on Exports exposes us to dynamic economic and political conditions of the operating terrain. Fluctuations in imports and tariffs, duties, export incentives are difficult to predict and hence, are beyond our control.

  Response

  The Company continuously scans and monitors the external environment in all the operating locations to reassess the risk profiles and take effective steps to mitigate the same.

- **Risk: High competition from highly fragmented and unorganised players in the Print Industry in India**

  Response

  Constant upgrades of technology and monitoring of production processes to position your Company as the best value supplier. Long term relationships with the customers and enhancing the service levels will mitigate this risk.

- **Risk: Commoditisation**

  Response: Creation of value add-ons and distinct differentiation in the products

  The Creativity and Innovation team is engaged in constant invention of newer designs to stay ahead in the business. Repro has invested a lot in the technology and IT which will keep the Company ahead in the curve.

Financial risks

- **Risk : Foreign currency**

  The Company, with manufacturing operations and sales in diverse geographies, is exposed to multiple currencies. The Company's business, financial condition, results of operations and prospects could be affected by fluctuations in exchange rates. A major portion of our transactions are either US Dollar denominated or based on Dollar prices. This limits to a significant extent our exposure to a devaluation of the currencies of the countries in which we operate against the US Dollar. Indian Rupee and UK Pound are the other major currencies in which the revenues are earned.

  Response

  To mitigate this risk the Company follows a proactive natural hedging policy for foreign currency exposure by using PCFC equivalent to the export orders and is repaid from the foreign currency received.

  Micro economic risks:

  1. Risk to Property, Plant & Machinery – Insurance Department
  2. Business Risk
  3. Financial Risk
  4. Technical/Technological Risk
  5. Safety , Health and Environment Risk – Administration Department
  6. Human Resources Risk – Human Resources Department
  7. Information Technology System Breakdown Risk. – IT Department

PRINCIPLES FOR ACHIEVING THE OBJECTIVES:

The Company shall periodically review it's exposure to various risks and for assessing the same, the Company is adopting the following steps:

1. Identification of the Companies key risks incorporating all relevant programs, processes, projects, activities and assets.
2. A standard framework for identification, assessment, acceptance and/or mitigation of risks on a consistent and co-ordinated basis across all areas of business activities.

3. Regular reporting of changes in the status of risk profiles, to alert management of any critical development in the Company's overall Risk profile.
4. Regular reporting to the Board on the levels of risk and management of risks.
5. Reappraisal of Risk Management plans by the Senior Management at regular intervals with findings reported to the Board through the Audit Committee.
6. Encourage risk identification and inculcating culture amongst employees.
7. Optimise business performance by improving decision making and planning;
8. Allocating resources;
9. Anticipating and avoiding risks rather than dealing with their consequences
10. Giving an early warning to potential problems;
11. To transfer to third party, those risks that can be managed by outsourcing as well as those which belong to highly specialised knowledge areas (i.e. Technical, Legal & IT)
12. Balancing cost of risk management and impact of risks with benefits of reducing risk [i.e. not to counter risks where the cost and effort are disproportionate to the impact]
13. Developing and keeping 'ready to use" contingency plans for dealing with High risk areas.

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.

This policy is in compliance with the amended Clause 49 of the Listing Agreement (w.e.f 1st October 2014) which requires the Company to lay down procedure for risk assessment and procedure for risk minimization.

The Board of Directors of the Company and the Audit Committee and the Risk Management Committee shall periodically review and evaluate the risk management system of the Company so that the management controls the risks through properly defined network.

The members of the Risk Management Committee 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.

CONSTITUTION OF RISK MANAGEMENT COMMITTEE

The Risk Management Committee of the Company shall consist of minimum three Directors, out of which atleast one director shall be an Independent Director.

The role & responsibilities of Risk Management Committee are:

1. To formulate a detailed risk management policy which shall include:

   a. A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.

   b. Measures for risk mitigation including systems and processes for internal control of identified risks.

   c. Business continuity plan.

2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

5. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;

6. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

Senior Executives of the Company 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

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 Risk Management 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. Ensure that the appropriate systems for risk management are in place.

4. 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;

5. Participate in major decisions affecting the organization's risk profile;

6. Have an awareness of and continually monitor the management of strategic risks;

7. Be satisfied that processes and controls are in place for managing less significant risks;

8. Be satisfied that an appropriate accountability framework is working whereby any delegation of risk is documented and performance can be monitored accordingly;

9. Ensure risk management is integrated into board reporting and annual reporting mechanisms;

10. Convene any board-committees that are deemed necessary to ensure risk is adequately managed and resolved where possible.

REVIEW

This Policy may be reviewed and amended periodically as and when required by the Board to ensure that it meets the objectives of the relevant legislation and needs of the Company and remains effective. The Board has the right to change/ amend the policy as may be expedient taking into account the law for the time being in force.