

POLSON LIMITED

RISK MANAGEMENT POLICY:

Polson Ltd (POLSON) like any other business entity is exposed to various risks in the normal course of its activities. No business can be conducted without accepting a certain level of risk, and any expected gain from a business activity is to be assessed against the risk that activity involves.

The Company's policy is to identify risks particularly those risks which can threaten the existence of the Company. At the same time, the Company will also determine such risks which are within the limit of risk acceptance, followed by actions which need to be taken to avoid, mitigate, and transfer or to purely monitor the risk.

Risk Management is a continuous process of analyzing and managing the opportunities and threats faced by the Company in its efforts to achieve its goals, and to ensure the continuity of the business.

The risk can be classified as follows:

Firstly, the risk can be identified as being internal or external, secondly subject matter wise the risk can be classified as:

1. Operational risk
2. Compliance related risk
3. Financial risk
4. Hazard risk

OPERATIONAL RISK:

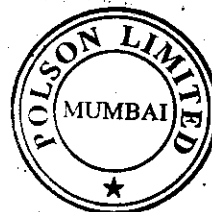
The risks as assessed/faced by the Company at present are as follows:

1. The Company is exposed to normal industry risk factors of competition, economic cycle and uncertainties in the international and domestic markets.
2. Shortage of Skilled/Unskilled labour
3. Government policies with regard to taxation on imports and domestic production which is affecting demand and putting pressure on prices.

Policy: The Company has always been on fast track of modernization. Due to modernization of plant requirement of unskilled labour will reduce. The Company has been able to sell its product in domestic as well as international market to its superior quality.

COMPLIANCE RELATED RISKS:

The risks as assessed/faced by the Company at present are as follows:



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In view of rapidly changing legislative framework in India directed towards a very stringent compliance by the corporate laws as is evident from the new Companies Act, 2013, various regulations framed by SEBI on regular basis and stringent provisions for penalty and prosecution, compliance related risk have assumed high importance.

Policy: The Company's legal & Secretarial department constantly reviews the legislative changes to ensure that the Company complies with the changing regulations as a constant monitoring process and in time. In addition company takes the opinion from the Company Secretary in practice on regular basis to monitor the legal compliance and submit its opinion report as and when required.

Company Secretary give updates regarding compliances of various Laws applicable to the company, on quarterly basis, which are placed before the Board of Directors.

Timely publication of financial results, annual accounts, seeking various approvals from members etc. is also important aspects of Compliance Related risk which is being regularly monitored.

FINANCIAL RISKS:

The risks as assessed/faced by the Company at present are as follows:

The Company is engaged with export market and it has achieved growth every year. There is risk of exchange rates fluctuations related to Rupees versus Euro/USD.

HAZARD RISKS:

The risks as assessed/faced by the Company at present are as follow:

There is risk towards damage of Company's Assets like Building, Plant & Machinery, Furniture, Office Equipment, Stock etc. There is also risk of health of its employees and dependent.

Policy: The Company has taken appropriate insurance policy to cover risk related to its moveable and immovable assets. As far as health is concern, the company covers a group of employee under ESIC to protect health of employee and their dependent.



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OTHER EMPLOYEE RELATED RISK:

The risks as assessed/faced by the Company at present are as follows:

There is risk related to fraud, theft, misuse of company property and transmitting the data accounts to outsider.

Policy: The Company of business ethics is the key guidelines for all employees. The Company is committed to high ethical standards and integrity in its businesses, preventing corruption and violations of the principles set forth in the code of business ethics of the Company. The Company's top management has zero tolerance for corruption and fraud.

Notwithstanding anything contained herein the Company and Managing Director reserves the right to alter, modify, add, delete or amend any of the provisions of this Policy without any prior notice/authority/permission.

