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POLICY ON RISK MANAGEMENT

OBJECTIVE

Sical Logistics Limited is in the logistics segment providing integrated multi-modal logistics services having presence in almost all major and intermediate ports, which is mainly dependent upon the EXIM sector. In accordance with the requirement of Companies Act, 2013 and as required by the Listing Agreement entered into with the Stock Exchanges where the equity shares of the Company are listed, a Policy on Risk Management is being evolved for the mitigation and minimisation of risks to which the Company is exposed.

The Risk Management Policy and processes will enable the Company to proactively manage uncertainty and changes in the internal and external environment to limit negative impacts and capitalize on opportunities.

PURPOSE

The main purpose of this Policy is to ensure sustainable business growth with stability and to promote a pro-active approach in reporting, evaluating and resolving risks associated with the business. In order to achieve the key objective, the policy establishes a structured and disciplined approach to Risk Management, to guide decisions on risk related issues.

The specific objectives of the Policy are

1. To ensure that all the current and future material risk exposures of the company are identified, assessed, quantified, appropriately mitigated, minimized and managed viz. To evolve, implement and adopt adequate systems for risk management.
2. To establish a framework for the company's risk management process and to ensure its implementation.
3. To enable compliance with appropriate regulations, wherever applicable, through the adoption of best practices.
4. To assure business growth with financial stability.

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.

BACKGROUND AND IMPLEMENTATION

The Company is prone to inherent business risks. This document is intended to formalise a risk management policy, the object of which shall be identification, evaluation, monitoring and mitigation / minimization of identifiable risks.

This policy is in compliance with the requirements of Companies Act, 2013 and Clause 49 of the Listing requirement requiring the Company to lay down the procedure for Risk assessment and risk minimisation.

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

Head of Departments 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 MITIGATION COMMITTEE

Risk Mitigation Committee shall be constituted / re-constituted by the Board of Directors from time to time consisting such number of directors as the Company thinks fit.

The Board shall define the roles & responsibilities of the Risk Mitigation Committee and may delegate monitoring and reviewing of the risk management plan to the Committee and such other functions as it may deem fit.

APPLICATION

This policy applies to all areas of the Company's operations.

ROLE OF THE BOARD

The Board will undertake the following actions to ensure that the risks are managed appropriately.

- The Board shall be responsible for framing, implementing and monitoring the risk management plan for the company.
- The Board shall define the roles and responsibilities of the Risk Mitigation Committee and may delegate monitoring and reviewing of the risk management plan to the committee and such other functions as it may deem fit.
- Ensure that the appropriate systems for risk management are in place.
- The independent directors shall help in bringing an independent judgement 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.
- Participate in major decisions affecting the organization's risk profile.
- Have an awareness of and continually monitor the management of strategic risks.
- Be satisfied that processes and controls are in place for managing less significant risks
- Be satisfied that an appropriate accountability framework is working whereby any delegation of risk is documented and performance can be monitored accordingly.
- Ensure risk management is integrated into board reporting and annual reporting mechanisms.
- Convene any board-committees that are deemed necessary to ensure risk is adequately managed and resolved where possible.

REVIEW

This policy shall be reviewed every year to ensure and satisfy that it meets the requirements of legislation and the needs of the organisation.