



DYNAMIC INDUSTRIES LIMITED

(A Govt. Recognised Export House)

Manufacturers & Exporters of Dyes, Pigments & Dye Intermediates

Regd. Office : Plot No. 5501/2, Phase III,
Nr. Trikampura Cross Road, G.I.D.C.,
Vatva, Ahmedabad - 382 445. Gujarat (INDIA)
Tel. : 91-79-2589 7221-22-23
Fax : 91-79-2583 4292, 2589 7232
E-mail : admin@dynaind.com
CIN : L24110GJ1989PLC011989

Factory : Plot No. 125, Phase I,
G.I.D.C. Estate, Vatva,
Ahmedabad - 382 445. Gujarat (INDIA)
Tel. : 91-79-2583 3835, 2589 1835
Fax : 91-79-2589 1735
Our Website : www.dynaind.com



RISK MANAGEMENT POLICY Effective from 12th August, 2014

1. INTRODUCTION

Risk Management is an integral part of the Company's plans and operations. While Dynamic Industries Limited (DIL) has a proven ability to successfully take on challenges, the efforts and to become more proactive in recognizing and managing risks, through an organized framework. The Company recognizes risk management as an integral component of good corporate governance and fundamental in achieving its strategic and operational objectives.

2. DEFINITIONS

This policy defines the following key terms:

- **Risk** is defined as the chance of a future event or situation, happening, that will have an impact upon the Company's objectives, favorably or unfavorably. It is measured in terms of consequence and likelihood.
- **Risk Management** encompasses risk assessment, plus the evaluation of risks, against established tolerances, their treatment and monitoring.

3. OVERSIGHT AND MANAGEMENT

BOARD

The Board is responsible for reviewing and ratifying the risk management structure, processes and guidelines which are developed and maintained by senior management. The audit committee may also refer particular risk management issues to the Board for final consideration and direction.

AUDIT COMMITTEE

The day-to-day oversight and management of the Company's risk management programme has been conferred upon the audit committee. The audit committee is responsible for ensuring that the Company maintains effective risk management and internal control systems and processes, and provides regular reports to the Board on the effectiveness of the risk management programme in identifying and addressing material business risks.



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The audit committee is responsible for:

- Managing and monitoring the implementation of action plans developed to address material business risks within the Company and its business units, and regularly reviewing the progress of action plans;
- Setting up internal processes and systems to control the implementation of action plans;
- Regularly monitoring and evaluating the performance of management in managing risks;
- Providing management and employees with the necessary tools and resources to identify and manage risks;
- Regularly reviewing and updating the current list of material business risks;
- Regularly reporting to the Board on the status of material business risks; and ensuring compliance with regulatory requirements and best practices with respect to risk management.

4. METHODOLOGY

The Company applies Risk Management in a well-defined, integrated framework, which promotes awareness of risks and an understanding of the Company's risk tolerances. Audit Committee monitors the internal control system, designed to identify, assess, monitor and manage risks, and associated with the Company. The Risk Management Framework enables an orderly approach to risk identification and minimization of the Company's losses, leverage of any opportunities and provides treatment strategies to manage transfer and avoid various risks.

5. SCOPE

This Policy applies to all the Employees of the Company, including the Senior Managers. The Policy also applies to contractors and consultants, working on behalf of DIL. The DIL Risk Management Policy and Risk Management Framework have been developed to include the following key categories:

- a) Domestic Business
- b) International Business
- c) Distribution/collection/debtors
- d) Personnel Risks





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- e) Financial Risks including FOREX
- f) Intellectual Property Rights Protection
- g) Human resources
- h) Business Processes & Systems
- i) Hazardous Operations and Accidents
- j) Product Liability
- k) International Accreditation Compliance
- l) Corporate Governance and Compliance
- m) Information Security
- n) Litigation Risk
- o) Compliance Risk
- p) Pollution Risks
- q) Any other Risks

6. RESPONSIBILITIES

The Board is ultimately responsible for identifying and assessing the nature and extent of internal and external risks that may impact DIL in achieving its strategic objectives. The Board is responsible for determining the Company's risk appetite, overseeing the development and implementation of the Risk Management Framework and maintaining an adequate monitoring and reporting mechanism.

The independent directors shall help in bringing an independent judgment to bear on the Board's deliberations on issue of Risk Management. They shall satisfy themselves that the systems of risk management are robust and defensible.

The Internal Audit program must be aligned with the Company's risk profile and is responsible for providing independent assurance, in relation to the effectiveness of processes, to manage particular areas of risk. The scope of Internal Audit's risk-based program is agreed to as part of an annual plan which is refined, as necessary.

7. REPORTING

Audit Committee will keep the check on the risk associated with the Company and will inform Board of Directors on quarterly basis if there is any factors which Board of Directors of the Company should keep in view.





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8. POLICY REVIEW

The Board is responsible for reviewing and approving the Risk Management Policy and Risk Management Framework, at least annually, to ensure their effectiveness and continued application and relevance to the DIL business.

9. AMENDMENTS

Any subsequent amendment/modification in the listing agreement and/or other applicable laws in this regard shall automatically apply to this Policy.

