GRAVITA INDIA LIMITED

Risk Management Policy

(Effective from 24th March, 2015)

(Revised on 31st March, 2023)

RISK MANAGEMENT - POLICY AND PROCEDURES

This report encompasses policies and procedures relating to the risk management of Gravita Group Companies. The risks detailed herein are not exhaustive and are for information purposes only. This policy may contain forward-looking statements. Forward- looking statements mentioned herein are subject to certain risks and uncertainties that could cause actual results to differ materially from those reflected in the forward-looking statements. It undertakes no duty to update any forward-looking statements.

Gravita is amongst Asia's leading recycling Company. With our dedicated team, global touchpoints of specialised infrastructure assets, and one of the largest networks of waste collection, we're working towards our mission of making a sustainable future possible for all by conserving Mother Earth's natural resources.

Gravita Group Companies (Gravita) are an acknowledged leader of India's lead industry. Gravita was established in 1992 by Rajat Agrawal, a first-generation entrepreneur who identified immense global opportunity in recovering lead for reuse. Over the time, the business has expanded and is now structured around five key verticals: · Lead recycling (flagship), Aluminium recycling, Plastic recycling, Rubber recycling and Turnkey Solutions.

GRAVITA, today has diversified into Manufacturing, International Trade, Turnkey Solutions in nonferrous metals, Plastics industry. It has its offices and plants in India, USA, Singapore, Netherland, Srilanka, Ghana, Mozambique, Senegal, Tanzania.

In today's challenging and competitive environment, strategies for mitigating inherent risks in accomplishing the growth plans of Gravita are imperative. Risks are derived from business goals and objectives. A well drafted framework guides a common approach across the enterprise. The common risks inter alia are: regulations, competition, business environment, technology, investments and retention of talent and expansion of facilities.

Risk Management Framework

We adopt systematic approach to mitigate risks associated with accomplishment of objectives, operations, revenues and regulations. We strongly believe that this would ensure mitigating steps proactively and help to achieve stated objectives. Gravita's objectives can be viewed in the context of four categories: (i) Strategic, (2) Operations, (3) Reporting and (4) Compliance. We consider activities at all levels of the organization, viz. (1) Enterprise level, (2) Division level, (3) Business Unit level and (4) Subsidiary level, in our risk management framework. These eight components are interrelated and drive the Enterprise Wide Risk Management with focus on three key elements, viz. (1) Risk Assessment; (2) Risk Management; (3) Risk Monitoring.

Risk Assessment

To meet the stated objectives, it is imperative to make effective strategies for exploiting opportunities and as a part of this Gravita has identified key risks and developed plans for managing the same.

Organizational Objectives

Strategic:

1. Organizational growth.
2. Comprehensive range of products.
3. Sustenance and growth of strong relationships with customers.
4. Expanding presence in existing markets and penetrating new geographic markets.
5. Continuing to enhance industry expertise.
6. Enhancing capabilities through technology alliances and in house technology developments.
7. Forward integration for value added products.

Operations:

1. Consistent revenue growth.
2. Consistent profitability.
3. High quality productivity.
4. Developing culture of innovation.
5. Attracting and retaining human talent and augmenting their training.

Reporting:

Maintaining high standards of Corporate Governance and public disclosure.

Compliance:

Ensuring stricter adherence to policies, procedures and laws / rules / regulations / standards.

The objectives of Gravita are subject to risks that are external and internal as enumerated below.

External Risk factors	Internal Risk factors
Economic Environment and Market Conditions	Financial Reporting Risk
Fluctuations in Foreign Exchange	Contractual Compliance
Political Environment	Compliance with Local Laws
Competition	Quality and Project Management
Revenue Concentration	Environmental Management
Inflation and Cost Structure	Human Resource Management
Technology Obsolescence	Culture and Values
Risk of Corporate Accounting Fraud	
Sustainability (Environmental, Social and Governance related Risks)	
Risk of Information Security and Cyber threats	

Risk Management and Risk Monitoring

In principle, risk always result as consequence of activities or as consequence of non-activities. Risk Management and Risk Monitoring are important in recognizing and controlling risks. The discussion given below embraces the Gravita's risk identification and mitigation strategies like risk control, avoidance, etc.

1. Economic Environment and Market conditions

Gravita markets its products primarily to Battery Manufacturers, Galvanizers in the country besides export to Japan, Korea, China, USA, Spain, Ireland etc. Consequently, most of the revenues are derived from the customers primarily located in these regions and customers concentrated in lead industries. Economic slowdowns or factors that affect the economic health of the customer's country may also pose risks to company's revenue growth.

While a significant proportion of the revenues are derived from a limited number of customers, Gravita's strategy is to seek new customers and at the same time secure additional contracts from existing customers by providing high quality products. Historically, the strength of its relationships has resulted in significant recurring revenue from existing customers.

To counter pricing pressures caused by strong competition, Gravita has been increasing operational efficiency and continued to take initiatives to improve quality control aside cost reduction / cost control initiatives.

2. Fluctuations in Foreign Exchange

Gravita's functional currency is the Indian rupee; however, a major portion of the business is transacted in Dollars and, accordingly, faces foreign currency exposure for export sales and purchases from overseas suppliers in U.S. dollars.

Gravita is exposed to substantial risk on account of adverse currency movements in global foreign exchange markets. The exchange rate between the rupee and the U.S. dollar has changed substantially in recent years and may fluctuate in the future also.

The risk on account of foreign currency fluctuations is managed through hedging. Gravita's risk management strategy is to identify risks it is exposed to, evaluate and measure those risks, decide on managing those risks, regular monitoring and reporting to management.

The objective of the risk management policy is to minimize risk arising from adverse currency movements by managing the uncertainty and volatility of foreign exchange fluctuations by hedging the risk to achieve greater predictability and stability.

The risk management policies are approved by senior management and include implementing hedging strategies for foreign currency exposures, specification of transaction limits; identification of the personnel involved in executing, monitoring and controlling such transactions.

Gravita purchases forward foreign exchange contracts to mitigate the risk of changes in foreign exchange rates on cash flows denominated in U.S. dollars. It has adopted a policy to book forward contracts for about 90 days depending on the exchange rates prevailing in the market. Long term hedging is not generally resorted to as it is considered costly and it enjoys natural hedge by way of export of Pure lead & lead alloys to various other countries. In case of exports, wherever the shipment dates are fixed as per the availability of vessels, hedging is taken up by way of forward contracts. All other exports are on spot basis.

3. Political Environment

Any adverse change in the political environment of the countries which are the Gravita's major markets would have an impact on its growth strategies.

Countries in which we have plants are becoming emerging economies and due to compulsions of global competitive forces, are stabilising its industrial policy with considerable reforms to attract foreign investment in various spheres. However, considering its basic political philosophy, we are reviewing existing and future investment strategies on a continuous basis.

Risks that are likely to emanate are managed by constant engagement with the Government of the day, reviewing and monitoring the country’s industrial, labour and related policies and involvement in representative industry-bodies.

4. Competition

The markets for lead & lead products are rapidly evolving and highly competitive, and

Gravita expects that competition will continue to intensify. It faces competition in India as well as globally from a number of companies.

Gravita believes that it is strongly placed to consolidate its market position as a leading pure lead & lead Alloy producer due to its competitive strengths which include:

- Comprehensive range of products backed by quality
- Specialized industry expertise
  Strong relationships with blue chip customers.
- Track record of high quality products and order execution

5. Revenue Concentration

High concentration in any single business segment exposes the company to the risks inherent in that segment. We have adopted prudent norms based on which we monitor and prevent undesirable concentration in a geography, industry, or customer. The quest for diversified activities within the existing realm of overall management after due consideration of the advantages and disadvantages of each activity is consistent with company policy of increasing business volumes with minimum exposure to undue risks.

Concentration of revenue from any particular segment of industry is sought to be minimised over the long term by careful extension into other activities, particularly in areas the company has some basic advantage such as availability of raw material, land, technical or manpower resources.

6. Technological Obsolescence

Gravita believes that Technological obsolescence is a practical reality. Technological obsolescence is evaluated on a continual basis and necessary investments are made to bring in the best of the prevailing technology.

Gravita has initiated various other measures to improve efficiency and technological performance.

As a result of constant R & D efforts, it has developed excellent in-house technical expertise in manufacturing of Red Lead, Lead powder, Lead sheets, Lead Alloys. It is constantly on the lookout for higher quality/better products which would increase the productivity and reduce the cost. As part of the Quality initiatives, one of the objectives is to find means of tackling obsolescence and bringing new products.

7. Risk of Corporate accounting fraud

Accounting fraud and corporate accounting fraud are business scandals arising out of misusing or misdirecting of funds, overstating revenues, understating expenses etc.

Gravita mitigates this risk by

- Understanding the applicable laws and regulations
- Conducting risk assessments
- Enforcing and monitoring code of conduct for all employees
- Instituting Whistleblower mechanisms
- Deploying a strategy and process for implementing the new control
- Adhering to internal control practices that prevent collusion and Concentration of authority
- Employing mechanisms for multiple authorization of key transactions with cross checks
- Scrutinizing of management information data to pinpoint dissimilarity of comparative figures and ratios
- Creating a favorable atmosphere for internal auditors in reporting and highlighting any instances of even minor non-adherence to procedures and manuals and a host of other steps throughout the organisation and assigning responsibilities for leaving the overall effort to a senior Individual like Head-Finance & Accounts.

8. Sustainability (Environmental, Social and Governance) Risks

Environment, social, and governance (ESG) risk is the consideration of nonfinancial risks arising from the environment and sustainability, reputation or brand, legal, technological, product or service quality, labor, ethical conduct, compliance, and strategic considerations. However, this is also more than just an exercise in "doing the right thing."

Gravita mitigates this risk by

- Go beyond the E to tackle the S and the G
- Manage the change well.
- Focus more deliberately toward ESG priorities

9. Risk of Information Security and Cyber threats

With ever increasing reliance on information technology, there is enhanced Risk of Security breaches resulting in misappropriation of funds and assets. Such breaches could bring the operations to a standstill or worse.

The Company has an IT security framework in place and same is periodically reviewed. Several safeguards and policies have been put in place to protect its network from Cyber Security attack.

10. Financial & Regulatory Reporting risks

Changing laws, regulations and standards relating to accounting, corporate governance and public disclosure, Securities and Exchange Board of India (SEBI) rules, and Indian stock market listing regulations create challenges for remaining fully law compliant for Indian companies. These new or changed laws, regulations and standards may lack specificity and are subject to varying interpretations. Their application in practice may evolve over time, as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs of compliance as a result of ongoing revisions to such corporate governance standards.

Gravita is committed to maintaining high standards of corporate governance and public disclosure and its efforts to comply with evolving laws, regulations and standards in this regard would further help address these issues.

The preparation of financial statements in conformity with Indian GAAP requires the company to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of our financial statements, and the reported amounts of revenue and expenses during the reporting period. Management bases its estimates and judgments on historical experience and on various other factors that are believed to be reasonable under the circumstances, results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. These may carry inherent reporting risks. Gravita believes that the accounting policies related to revenue recognition and Accounting for Income taxes are significant.

Company's revenue recognition policy is significant because revenue is a key component of the results of operations. Very specific and detailed guidelines are followed in measuring revenue.

11. Contractual Compliance

Contracts with customers typically contain restrictions/measures and non- adherence of which could result in litigations. Additionally, there will be other obligations and general corporate legal risks.

Gravita has an experienced team of professionals, who focus on evaluating the risks involved in a contract, ascertaining its responsibilities under the applicable law of contract, restricting its liabilities under the contract and covering the risks involved so that they can ensure adherence to all contractual commitments.

12. Compliance with local laws

Gravita is subject to additional risks related to its international expansion strategy, including risks related to complying with a wide variety of laws of the land, restrictions on the import/export of goods, technologies and possibly overlapping tax structures. Company has put in place a robust process with the help of field experts & consultants where it has set up a wholly owned subsidiary. To further this, Company has a policy requiring functional heads/country heads to give regular compliance certificates to the Board to comply laws of the land.

13. Quality and Project Management

Gravita established an impeccable record of consistently high product quality and service to customers. The Management is totally committed to quality - right from receipt of raw materials to dispatch of finished products.

Critical elements for the success of the Gravita's global delivery model, are well established quality management systems and sophisticated project management techniques. As an integral part of the processes, company has established a strict quality assurance and control program.

14. Environmental Management:

Gravita endeavors to protect the environment in all its activities, as a Social Responsibility. For the same, Company has installed a total of 1,300 KW of Solar Energy Generation system at its manufacturing facilities located in India. This solar installation is expected to generate nearly 20 Lakh KWh of energy per year and will help to fulfill the vision of the company by reducing carbon emissions around 1,550 tonnes per year.

The Environmental Management System adopted by the company at its Plants is accredited with the International Standard ISO 14001: 2015.

15. Human Resource Management

Human Resources (HR) Department ensures that right person is assigned to the right job and that they grow and contribute towards organizational excellence at all levels.

Risk in matters of human resources are sought to be minimized and contained by following a policy of providing equal opportunity to every employee, inculcate in them a sense of belonging and commitment and also effectively train them in spheres other than their own specialization.

Company's ability to execute turnkey projects and to develop new customers depends largely on its ability to attract, train, motivate and retain highly skilled professionals, particularly in recycling space as technical personnel, project managers, and project leaders.

Company's growth has been driven by its pool of talented human resources and the ability to engage them. To attract, retain and motivate the entire Team, Gravita seeks to provide an environment that rewards entrepreneurial initiative , continuous learning, fosters collaboration and performance. Employees are encouraged to make suggestions on innovations, cost saving procedures, exchange of ideas related to manufacturing procedures etc.

Gravita provides competitive salaries and benefits as well as incentives in the form of perquisites along with welfare measures for the employee and his family to motivate performance.

16. Culture diversity

Gravita has various manufacturing facilities located in different geographical locations and people belonging to different culture and values are employed in those manufacturing facilities. Managing risk consistently among multi-cultural workforce is very critical.

Company has implemented a code of conduct for Directors, Senior Management personnel and employees. These policies are disseminated on its website and affirmations have been obtained from all concerned to ensure compliance. Organisation also ensures right information flow from time to time so that everyone is aware of same.

The Gravita's core values comprise:

- Fairness
- Trust
- Nurturing Relationship
- Passion
- Respect

The core values are guiding parameters for all organization-wide initiatives and support in creating the DNA of the organisation.

Further, company's website, www.gravitaindia.com provides an overview of the organization's direction, design, culture, processes, product range, policies and practices. This site, which is updated periodically, is accessible to the public.

Roles and Responsibilities of Risk Management Committee

Structure:

At Gravita, Risk Management is housed by way of Risk Management Committee (RMC). RMC is an independent body,

Objective:

The primary objective of Risk Management is to control risk incurred by Gravita with a view to preventing unacceptable losses, to provide an effective means of identifying, measuring and monitoring credit exposures incurred by it, and to keep such risk at or below predetermined levels. The focus is to monitor, analyze and manage risk levels stemming from inadequate controls and or business disruptions.

Mechanics:

Risk management begins at the Business Unit level. Risk Management is responsible for measuring various risk levels and ensuring that the Business Units and their products are within limits assigned by the company's management in accordance with the company's guidelines.

The responsibility for determining the acceptable/unacceptable levels for each risk and for assuring that the above risk objectives are met rests with Gravita's Senior Management on the recommendation of Risk Management Committee.

Business Units may execute transactions only within their product authority, which is determined by the Board of Directors and within predetermined limits, established by RMC and customized for each product. Existing positions and exposures are regularly compared by managers and by RMC with the predetermined limits.

Resources:

Risk Management has at its disposal a variety of systems for measuring and monitoring risk and employs statistical techniques for aggregating risks as applicable. Risk Management information systems compare established transaction limits with actual positions to monitor compliance with set procedures. Risk Management can also access systems to allow for monitoring of business transactions and for performing scenario analyses.

In addition to the above, all trading areas will be required to perform a series of stress simulations on their portfolios, the results of which are communicated to RMC. These simulations are aggregated and enable RMC to have current information on risk exposures.

Responsibilities:

RMC has responsibility, among other duties, for the following functions:

i) 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 and impact) information and cyber security risks;

- Measures for risk mitigation
- Systems for internal controls and
- Business contingency plan

ii) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management and internal control systems;

iii) To Ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

iv) To review the risk management policy on annual basis, including by considering the changing industry dynamics and evolving complexity;

v) To keep the board informed about the nature and content of its discussions, recommendations and actions to be taken;

vi) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the risk management committee, jointly with the nomination and remuneration committee. The Risk Management Committee shall coordinate its activities with the Audit Committee in instances where there is any overlap with audit activities.

Risks specific to the Gravita and the mitigation measures adopted

1) **Fluctuation in LME:** Being a tradable metal on commodity exchanges, at times LME sees a downturn and up trend in its prices.

Based on experience gained from the past, Gravita is able to do the business in up & down environment by keeping the sustainability in his mind. Sales & Procurement are interlinked in the form of natural hedging to mitigate the fluctuation risks. Entire cycle is predicted considering the supply and demand during a particular period and accordingly supply is planned and adjusted. Risks which a business may face in this scenario are:

- Low margin risk
- Down trend of procurement
- Blockage of working capital

Risk mitigation measures:

- Gravita is maintaining set inventory levels at each plant
- Procurements are done on buyer's choice LME Rate
- Sales orders are executed on seller's choice LME Rate
- Domestic market also provides arbitrage to mitigate the price fluctuations.
- Each transaction is covered by natural hedging as per hedging policy of the Company.
- Commodity hedging is done in terms of forward contracts. All hedging transactions will be undertaken through forward contract or options as per hedging policy of the company.

2) **Business Operations Risk:** These risks relate broadly to the Gravita's organization and management, such as planning, monitoring and reporting systems in the day-to-day management process namely:

- Organisation and management risks
- Production, process and productivity risks,
- Business interruption risks,
- Profitability risks

Risk mitigation measures:

- Gravita functions under a well-defined organization structure.
- Flow of information is well defined to avoid any conflict or communication gap between two or more Departments. Internal Online communication system is there for free flow of information at all levels.
- Second level positions are created in each Department to continue the work without any interruption in case of non-availability of functional heads.
- Sufficient stock of raw materials is kept to ensure continuous production.
- Effective steps are taken to keep the cost of production at minimum levels
- Process flow charts are defined for users.
- Productivity per hour/per batch is defined to see identify any in efficiency.
- Strong HR Department to maintain excellent and cordial relations at all levelsof employment.

3) **Liquidity Risks:**

- Financial Solvency and liquidity risks
- Borrowing limits
- Cash management risks

Risk mitigation measures:

- Proper financial planning is put in place.
- Annual Budgets are prepared and reviewed monthly for Variance Analysis to have better financial planning.
- Daily, monthly cash flows are prepared
- Exposure to Foreign Exchange transactions are supported by LCs and Bank Guarantee and suitable hedging policy where ever applicable.

4) **Credit Risks:**

- Risks in settlement of dues by clients.
- Provision for bad and doubtful debts

Risk mitigation measures:

- Systems put in place for assessment of creditworthiness of Customers
- Provision for bad and doubtful debts made to arrive at correct financial position of the Gravita.
- Appropriate recovery management and follow up.

5) **Market Risks / Industry Risks:**

- Demand and Supply Risks
- Quantities, Qualities, Suppliers, lead time
- Raw material rates
- Interruption in the supply of Raw material

Risk mitigation measures:

- Raw materials are procured from different sources at competitive prices.
- Alternative sources are developed for uninterrupted supply of raw materials.
- Demand and supply are external factors on which company has no control however Gravita plans its production and sales from the experience gained in the past.
- Quality control procedures are in place.
- Quality claim clauses in the contract.
- Proper inventory control systems have been put in place.
- Setting up of Strategically geographic locations for collection of raw material

6) **Human Resource Risks:**

- Employee Turnover Risks, involving replacement risks, training risks, skill risks etc.
- Unrest Risks due to Strikes and Lockouts
- Non availability of trained employees in recycle industry space in job market.

Risk mitigation measures:

- Gravita has proper recruitment policy for recruitment of personnel at various levels in the organization.
- Proper appraisal system to give yearly increment is in place.
- Various incentive schemes are there to keep the employees motivated.
- Employees are trained at regular intervals to upgrade their skills.
- Activities relating to Welfare of employees are undertaken for work life balance.
- Proactive employee welfare initiatives

7) **Disaster Risks:**

- Natural risks like Fire, Floods and Earthquakes etc.

Risk mitigation measures:

- The property of Gravita is insured against natural risks like fire, flood, earthquakes etc.
- Fire extinguishers have been placed at fire sensitive locations.
- First aid training is given to watch and ward staff and personnel.
- Workmen of the company are covered under ESI, EPF, etc., to serve the welfare of the workmen.

8) **Government Regulations/ Basel II Norms:**

Gravita has been provided a license to import the lead scrap batteries in India. This license has been issued to few players in the recycling space in India. Government has to follow Basel II norms also while allowing the import of hazardous material in the country which has signed the Basel II document.

There may be a possibility that Govt may scrap their policy to allow Indian Battery Recycler to import of lead acid battery.

Risk mitigation measures:

- Company has to be dependent only on domestic procurement
- Basel II norms have allowed import of Lead Scrap rails. It means company has to break the batteries out of India before import of the same.

9) **Legal Risks:**

- Contract Risks
- Contractual Liability
- Frauds
- Legal risk is the risk in which the Gravita is exposed to legal action. It is governed by various laws and has to do its business within four walls of law, where the company is exposed to legal risk exposure.

Risk mitigation measures:

- Gravita has engaged professionals, advisors who focus on evaluating the risks involved in a contract, ascertaining our responsibilities under the applicable law of the contract, restricting our liabilities under the contract, and covering the risks involved, to meet the general and specific requirements so that they can ensure adherence to all contractual obligations and commitments.
- Management places and encourages its employees to place full reliance on professional guidance and opinion and discuss impact of all laws and regulations to ensure company's total compliance. The suggestions and recommendations from professional agencies and industrial bodies, chambers of commerce etc., are carefully analysed and acted upon wherever relevant.
- Company has established a compliance management system in the organization and Compliance officer (Company Secretary) ensures the submission of the quarterly compliance reports by functional heads for placing the same before the Board.

- A study of contracts has always been done with focus on contractual liabilities, deductions, penalties and interest conditions.
- The Legal & Secretarial department and the Legal Advisors vet the documents.
- Contracts are finalized as per the advice from legal professionals and Advocates.
- Timely payment of insurance and full coverage of properties of the company under insurance.
- Internal control systems for proper control on the operations of the company and to detect any frauds.

10) **Foreign Exchange and Interest Rate Risk Management**:

A. Exposures

1. The Company has exposures on account of exports, imports, income and expenditure in foreign currency which is affected by currency movements, interest rate movements etc. This often implies a degree of uncertainty in terms of the effect on financial results and the company's ability to execute transactions on future dates with similar profit levels as envisaged at the onset.

B. Risk Identification

Anticipated exposure is decided on the basis of data taken from Sales & Procurement Department respectively on quarterly basis. It is calculated based on the orders to be received from export customers and expected orders to be placed on suppliers for import purchases.

1. Foreign currency exposures are recognized from the time an import/export order/contract is signed and/or Purchase Orders are signed by customers (if contract is not there).

2. All exposures are considered month wise for the current year and quarter wise for later exposures. Besides, the cash flows are prepared and monitored for each currency separately.

3. The company's budgeted exchange rates are not be used for quotations or exposure management or performance evaluation of treasury.

C. Risk Measurement

Risk has two components, exposure and uncertainty. This uncertainty would be on account of unpredictability of future events. Risk arising on account of movement in the exchange rates of all relevant currencies where the company has exposure in terms of:

-Foreign currency denominated cash flows & foreign currency denominated assets/liabilities.

1. Financial impact due to potential changes of exchange rates has to be quantified for each foreign currency exposure separately. Risk is to be quantified based on the shift of the spot exchange rates at the time of the volatility of the currency pair.

The evaluation will be done based on the total booked and anticipated transaction exposure (no netting of outstanding hedge deals) for the next 12 months (rolling).

D. Risk Mitigation Controls

1. Risk limitation or reduction is the prime objective in framing the policy.

2. Packing Credit in Foreign Currency (PCFC) and Export Packing Credit (EPC) limits has also taken as hedging instruments.

3. Company has taken ECGC facility also to cover risk of adverse currency movements depending on the country of export/product type/group turnover.

4. Company's bankers are consulted and suitable exposures in the form of buyer's credit and other instruments are evolved to mitigate exchange rate fluctuations & interest rates.

5. Currency hedging is done in terms of forward contracts. All hedging transactions will be undertaken through forward contract or options as per hedging policy of the company.

Business Continuity Planning ("BCP")

Gravita India Limited recognizes the importance of BCP for the smooth running of business particularly during unfavourable times, including pandemic. The Company focuses on business continuity, both from a business operations sustainability viewpoint as well as employee welfare measures perspective. Further, the Risk Management Committee focuses especially on key action steps, roles and responsibilities, trigger mechanisms, turnaround times etc. to be always prepared to tackle any situation that can potentially affect the business operations.

Disclaimer Clause

The Management cautions readers that the risks outlined above are not exhaustive and are for information purposes only. Management is not an expert in assessment of risk factors, risk mitigation measures and in having a complete / proper management's perception of risks. Readers are therefore requested to exercise their own judgment in assessing various risks associated with the Gravita.