



E2E Networks Limited

CIN- L72900DL2009PLC341980

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Mathura Road, New Delhi-110044, Phone No. +91-11-4084-4964

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RISK MANAGEMENT POLICY

PREAMBLE

Risk is inherent in all administrative and business activities. Risks are such events or the conditions that has a harmful or negative impact on the organizational goal or its business objectives. The exposure to the consequences of uncertainty constitutes a risk. Every member of the Organisation continuously manages risk. The systematic approaches to managing risk have evolved and are now regarded as good management practice. The objective of this policy is to manage the risks involved in all sphere of the activities of the Company to maximize opportunities and minimize the adversity.

Effective risk management requires:

- A strategic focus,
- Forward thinking and active approaches to management
- Balance between the cost of managing risk and the anticipated benefits, and
- Contingency planning in the event that mission critical threats are realised.

SCOPE

This Policy Standard sets out the detailed requirements and minimum levels of achievement necessary to implement the risk management elements of the business. This policy facilitates management of risks associated with our activities and minimize the impact of undesired and unexpected events. Taking and managing appropriate levels of risk is an integral part of all our business activities. Risk Management, performed rigorously and comprehensively, creates stability, indirectly contributes to profit and is a key element of reputation management.

KEY DEFINITIONS

Risk

The chance of something happening that will have an impact on the achievement of the Organisation's objectives. Risk is measured in terms of consequences and likelihood.

Risk Assessment

The systematic process of identifying and analysing risks, which shall cover Risk Identification and Categorization, Risk Description and Risk Estimation

Risk Management

Risk Management is the process of systematically identifying, quantifying, and managing all risks and opportunities that can affect achievement of a corporation's strategic and financial goals.

RISK MANAGEMENT PROCESS

The systematic application of management policies, procedures and practices to the tasks of establishing the context, identifying, analysing, evaluating, treating, monitoring and communicating risk.





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RISKS AND CONCERNS

- ❖ Significantly fast-moving markets like AI/ML/NLP/LLMs throw significant challenges in terms of the effort just required to keep up with the daily new developments.
- ❖ Change in government regulations or their implementation could disrupt the operations and adversely affect the business and results of the Company, due to which Company may incur increased costs
- ❖ Increased competition from Global as well as Local players may impact our customer acquisition and future growth.
- ❖ Significant increases in market prices of Computer equipment and other hardware, energy or transportations, as well as supply disruptions, could adversely affect our results of operations.
- ❖ Changes in the monetary and fiscal policies of India, unanticipated turbulence in interest rates, foreign exchange rates, changes in domestic and foreign laws, regulations, and taxes.
- ❖ Change in technology may render our current technology obsolete and require us to make substantial investments which could affect the Company finances and operations.
- ❖ General Technology related risks like Disclosures of new vulnerabilities in CPUs, Risks of becoming victims of Cyber Crime, accidental data disclosure etc.
- ❖ Access to and retention of highly skilled professionals.

RISK MANAGEMENT POLICY

In order to fulfil the objectives of this policy and lay a strong foundation for the development of an integrated risk management framework, the policy outlines the following guiding principles of Risk Management:

- 1) All business decisions will be made with the prior information and acceptance of risk involved
- 2) The Risk Management Policy shall provide for the enhancement and protection of business value from uncertainties and consequent losses
- 3) All employees of the company shall be made aware of risks in their respective domains and their mitigation measures
- 4) The risk mitigation measures adopted by the company shall be effective in the long-term and to the extent possible be embedded in the business processes of the company





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- 5) Risk tolerance levels will be regularly reviewed and decided upon depending on the change in company's strategy
- 6) The occurrence, progress and status of all risks will be promptly reported and appropriate actions be taken thereof.

RISK MANAGEMENT POLICY STATEMENT

To ensure protection of shareholder value through the establishment of an integrated Risk Management Framework for identifying, assessing, mitigating, monitoring, evaluating and reporting of all risks.

To continually strive towards strengthening the Risk Management System through continuous learning and improvement

RISK STRATEGY OR MITIGATION OF RISK POLICY

Based on the Risk level determined and reviewed from time to time, the company should formulate its Risk Management Strategy. The strategy will broadly entail choosing among the various options for risk mitigation for each identified risk. The risk mitigation can be planned using the following key strategies:

In order to achieve the effective Risk mitigation strategy, following framework shall be used:

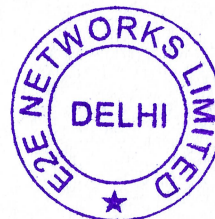
- a) **Risk Avoidance:** By not performing an activity that could carry risk. Avoidance may seem the answer to all risks, but avoiding risks also means losing out on the potential gain that accepting (retaining) the risk may have allowed.
- b) **Risk Transfer:** Mitigation by having another party to accept the risk, either partial or total, typically by contract or by hedging.
- c) **Risk Reduction:** Employing methods/solutions that reduce the severity of the loss.
- d) **Risk Retention:** Accepting the loss when it occurs. Risk retention is a viable strategy for small risks where the cost of insuring against the risk would be greater over time than the total losses sustained. All risks that are not avoided or transferred are retained by default.

This includes risks that are so large or catastrophic that they either cannot be insured against or the premiums would be infeasible.

RISK MANAGEMENT SYSTEM

As a diversified enterprise, the company has always had a system- based approach to business risk management. Backed by strong internal control systems, the current risk management framework consist of the following elements:

- ❖ The Corporate Governance Policy clearly lays down the roles and responsibilities of the various entities in relation to risk management. A range of responsibilities, from the strategic to the operational is specified in the Governance Policy. These role definitions, inter alia are aimed at





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ensuring formulation of appropriate risk management policies and procedures, their effective implementation and independent monitoring and reporting by Internal Audit.

- ❖ A combination of centrally issued policies and divisionally – evolved procedures brings robustness to the process of ensuring business risks are effectively addressed.
- ❖ Appropriate structures have been put in place to effectively address the inherent risks in businesses with unique / relatively high risk profiles.
- ❖ A strong and independent Internal Audit Function at the corporate level carries out risk focused audits across all businesses, enabling identification of areas where risk managements processes may need to be improved. The Audit Committee of the board reviews internal Audit findings, and provides strategic guidance on internal controls. Monitors the internal control environment within the Company and ensures that Internal Audit recommendations are effectively implemented. The combination of policies processes as outlined above adequately addresses the various risks associated with your Company's businesses. The senior management of the Company periodically reviews the risk management's framework to maintain its contemporariness so as to effectively address the emerging challenges in a dynamic business environment.

General

The Board of Directors of the Company and the Risk Management Committee shall periodically review the risk management policy of the Company so that management controls the risk 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 the Audit Committee.

The decision of the Board of Directors of the Company with regard to any or all matters relating to this policy shall be final and binding on all concerned. The Board of Directors of the Company shall have the power to modify, amend or replace this policy in part or full as may be thought fit from time to time in their absolute discretion.

