



WANBURY LIMITED

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Risk Management Plan

1. Introduction

1.1 Risk

The Company has adopted definition of risk as “the potential for loss or sub-optimization of gain caused by an event (or series of events) that can adversely affect the achievement of company’s objectives”. Potential risks extend well beyond financial risks and so the Company adopts a classification framework of risks which is based on four pillars namely strategic, financial, operational, and compliance.

1.2 Objectives of Risk Management in the Company

Objective of risk management is not limited to complying with clause 49 of the listing agreement but also to enable the Company in achieving its strategic objectives and enhance stakeholder value. The Company understands that risk management is not a onetime event or exercise; so the Company has adopted a risk management methodology/framework to bring the inherent level of risks to a desired level of acceptable risks.

The Company is committed to implement a Risk Management process to:

- Identify risks and assess them for their criticality ; and
- Mitigate identified risks with treatment plans

2. Risk Management Methodology

Risk Management methodology explains the process that the Company should follow. It has four phases.

2.1 Risk Identification

The Company may use following ways to identify new risks that may have emerged or risks that would have changed over a period of time:

- Review of documents such as strategic plans, board and audit committee meeting minutes, risk management committee meeting minutes, policies and procedures, internal audit reports, financial statements, press releases, analyst reports etc.;
- Structured workshops, brainstorming sessions; and
- Interviews with Top and Senior Management.

All identified risks should be updated in a risk register as and when identified. Risk registers should be reviewed by the Risk Committee to ensure pertinence of the risks listed. Risks that would have ceased should also be closed appropriately.

2.2 Risk assessment and prioritization

Risk may be high, medium or low. The objective of Risk Assessment to assist the organization in prioritizing risk treatment strategies to ensure that appropriate attention is given to risks based on their criticality and that the Company resources are effectively utilized in managing these risks.

2.3 Risk Treatment

Risk treatment involves identifying the range of options for treating risk, assessing those options, preparing risk treatment plans and implementing them. Risk treatment plans, as and when formed, should be profiled in the Risk Profile. Action plans need to be time bound and responsibility driven to facilitate future status monitoring. Treatment plan should ensure that existing level of risks is brought down to an acceptable level.

Treatment Options

(A) Eliminate:

Action is taken to exit the activities giving rise to risk, such as exiting a product line, selling a division, declining expansion to a new geographical market etc. where either the cost of other responses would exceed the desired benefit, or no response option was identified that would reduce the impact and likelihood to an acceptable level.

(B) Reduction:

Action is taken to reduce the risk likelihood or impact, or both to reduce the risk to an acceptable level. This may involve any of a variety of everyday business decisions.

(C) Sharing:

Action is taken to reduce risk likelihood or impact by transferring or otherwise sharing a portion of the risk with a third party, such as Purchasing insurance products, pooling risks, engaging in hedging transactions, outsourcing an activity etc.

(D) Acceptance:

No action is taken to mitigate the risk. Business is willing to continue taking the risk at the same level.

2.4 Monitoring and Reporting

Objectives of monitoring are:

- (i) Identify changes in contributing factors, which may affect the likelihood and impact of an outcome
- (ii) Ensure proposed risk treatment plans are adequate
- (iii) Assess the progress of risk treatment action plans
- (iv) Identify new and emerging risks, if any
- (v) Modify the Risk Register and Risk Treatment Plan, if required.

Review and Reporting Cycle

Activities	Frequency
Identification of new and emerging risks	Ongoing
Updating of Business Risk register	Monthly basis
Reporting to Risk Management Committee	Half yearly

3. Documentation

Objectives of risk management documentation are:

- provide evidence of a systematic approach to risk identification and analysis;
- provide a record of risks to support the development of a database of the Company's risks;
- provide risk treatment plans for approval and subsequent implementation;

- provide accountability for managing the risks identified;
- facilitate continuous monitoring and review; and
- share and communicate risk management information across the Company

4. Risk Management Committee

The Risk Management Committee shall consider the potential risks of the business of the Company and to plan for the mitigation of the same.

**Sd/-
K. Chandran
Vice Chairman**

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