

**AMAZIN AUTOMATION SOLUTIONS INDIA LIMITED**  
(Formerly Known as AMAZIN AUTOMATION SOLUTIONS INDIA PRIVATE LIMITED)

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**Risk Management Policy**

**1. CONTEXT**

Amazin Automation Solutions India Limited, our Company, is engaged in the business Offering services of Hardware deployment (Radio Frequency Identification (RFID) readers, kiosks, Programmable Logic Controller (PLC controllers), printers, sensors, AI cameras), Software platforms (web portals, mobile apps, dashboards, Management Information System (MIS) reporting), Trips based Software as a Service (SaaS) offering, Long-term maintenance and support services. The growth and success of any business depend on the ability to identify, understand and respond to the challenges of a very dynamic market. This uncertainty generates risk, with the potential to be evaluated either as a source of opportunity or threat. By understanding and managing risk, we provide greater certainty and confidence for all our stakeholders.

The risk inherent in our operating environment creates the need to think about, take and manage risk in an informed way. Explicit and effective risk management is a source of insight and competitive advantage. As such, forward-looking risk management must be a cornerstone of our decision-making. To this end, the Company is committed to the ongoing development of a strategic and consistent enterprise-wide approach to risk management, underpinned by a risk-aware culture.

Everyone in the Company has a role in managing risk by enhancing opportunities and minimising threats, so that together we achieve our Common goals –growing our business sustainably, enhancing value for customers and shareholders and contributing to society at large.

**2. SCOPE**

This policy applies to the Company throughout India and abroad. The policy is supported by the Risk Management Framework.

**3. PURPOSE**

The Company recognises the importance of managing risk in the business to sustain growth. The purpose of the policy is to ensure that:

- a. Appropriate systems are in place to identify the material risks facing the Company.
- b. The potential financial impact of identified risks is ascertained.
- c. Appropriate controls and strategies are adopted to manage exposure to those risks.
- d. Appropriate responsibilities are delegated to control identified risks effectively.
- e. Any material changes to the Company's risk profile are disclosed in accordance with the Company's continuous disclosure policy.

#### 4. RESPONSIBILITY AND ACCOUNTABILITY

<b>Board</b>	The Board is responsible for the management of the risk in the Company. The Board will periodically review the risk management policy to ensure that executive management controls risk through means of a properly defined framework.
<b>Audit Committee</b>	The Audit Committee assists the Board in fulfilling its Risk Management responsibilities.
<b>Risk owners</b>	Risk owners are accountable to the Board for:  The development, implementation, maintenance and review of appropriate controls and strategies to manage allocated risks;  Reporting to the Board on control and strategies.
<b>Enterprise Risk Management Facilitator (“ERM”)</b>	The ERM Facilitator is accountable to the Board to facilitate and coordinate risk management activities by Risk Owners.
<b>Employees</b>	All employees are responsible for taking reasonable and practical steps to perform their responsibilities delegated under this policy and related procedures.

#### 5. METHODOLOGY

- i) Establish the context – Define clearly the scope for each level of risk assessment.
- ii) Identify the risk – What could happen? How and why could it happen?
- iii) Analyse Risk- How frequently is it likely to happen, and what are the possible consequences?
- iv) Evaluate and Prioritise the risk – relevant internal controls are considered and evaluated, and a decision is made as to whether these controls are adequate and appropriate to mitigate the level of risk and whether or not further controls are warranted to reduce the risk to an acceptable level.
- v) Treat Risks – Risk treatment strategies are evaluated and selected, and risk is re-rated, factoring in the proposed treatment strategies.

#### 6. KEY RISKS

The Key risks currently under management by the Company in accordance with this policy are as follows:

- i) **Acquisition & Growth** – there is a risk that the Company may not achieve its strategic objectives to grow the business through acquisitions and diversification, and expansion of practice areas; alternatively, such growth objectives may not realise the forecasted profits.
- ii) **Recruitment & Retention** – there is a risk that the Company may not be able to recruit or retain suitably qualified or experienced people to achieve strategic objectives.
- iii) **Competition** – there is a risk that the Company will not be in a position to continue to compete effectively with current or future competitors.

- iv) **Reputation & Intellectual Property** –There is a risk of unauthorised use of the Company’s intellectual property.
- v) **Information Systems and Operational Risks** – there is a risk of catastrophic information system failure or other operational failure or malfunction.
- vi) Employee misconduct
- vii) Governance Failure.
- viii) Economic Risk, Market conditions, Liquidity and Investment Returns.

## 7. RISKS SPECIFIC TO THE COMPANY AND THE MITIGATION MEASURESADOPTED

Business dynamics: Variance in the demand and supply of the product in various areas. Based on experience gained from the past, the Company can predict demand during a particular period and, accordingly, supply is planned and adjusted. Also, the company is working on expanding its product portfolio to mitigate the risks due to business fluctuations. Further, the company is also expanding its market reach in exports by entering new territories through acquisitions and partnerships. This would help in de-risking the company from any sort of major variances in demand from specific regions/markets.

Business Operations Risks: These risks relate broadly to the company’s organisation and management, such as planning, monitoring and reporting systems in the day-to-day management process, namely:

- a. Organisation and management risks,
- b. Production, process and productivity risks,
- c. Business interruption risks,
- d. Profitability risks

### Risk mitigation measures:

- The Company functions under a well-defined organization structure.
- Flow of information is well defined to avoid any conflict or communication gapbetween two or more Departments.
- Second-level positions are created in each Department to continue the work withoutany interruption in case of non-availability of functional heads.
- Sufficient stock of raw materials is kept to ensure continuous production.
- Effective steps are being taken continuously to reduce the cost of production.
- Effective steps are being taken to continuously improve product performance andquality.

### 2) Liquidity Risks:

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

### Risk Mitigation Measures:

- Proper financial planning is put in place

- Annual and Quarterly Budgets and Variance Analyses are prepared to have better financial planning
- Daily, monthly cash flows are prepared
- Cash management services are availed from the Bank to avoid any loss of interest on collections
- Exposure to Foreign Exchange transactions is supported by LCs, Bank guarantees and a suitable hedging policy.

### 3) Credit Risks:

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

#### Risk Mitigation Measures:

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

### 4) Market Risks/ Industry Risks:

- Demand and Supply Risks
- Quantities, Quality, Suppliers, lead time, interest rate risks
- 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 an uninterrupted supply of raw materials.
- Demand and supply are external factors over which the company has no control; however, the Company plans its production and sales from the experience gained in the past and by continuous monitoring of the changes in the market.
- The Company continuously works on reducing the gap between demand and supply.
- Proper inventory control systems have been put in place.

### 5) Human Resource Risks:

- Labour Turnover Risks, involving replacement risks, training risks, skill risks, etc.
- Unrest risks due to Strikes and Lockouts.

#### Risk Mitigation Measures:

- The company has a proper recruitment policy for the recruitment of personnel at various levels in the organisation.
- A proper appraisal system to evaluate individual performance and give due recognition to performers is in place.
- Employees are trained at regular intervals to upgrade their skills.

- Labour problems are obviated by negotiations and conciliation.
- Activities relating to the Welfare of employees are undertaken.

#### 6) Disaster Risks:

- Natural risks like Fire, Floods, Earthquakes, etc.

##### Risk Mitigation Measures:

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

#### 7) System Risks:

- System capability
  - System reliability
  - Data integrity risks
  - Coordinating and interfacing risks
- ##### Risk Mitigation Measures:
- EDP department maintains, repairs and upgrades the systems continuously with personnel who are trained in software and hardware.
  - Password protection is provided at different levels to ensure data integrity.
  - Licensed software is being used in the systems.
  - The Company ensures “Data Security” by having access control/ restrictions.
  - The systems department ensures regular and periodic backup of all relevant information to ensure that there is no data loss in any unfortunate event.

#### 8) Legal Risks:

These risks relate to the following:

- Contract Risks
- Contractual Liability
- Frauds
- Judicial Risks
- Insurance Risks
- Legal risk is the risk to which the Company is exposed to legal action.
- As the Company is governed by various laws and the Company has to do its business within the four walls of law, the Company is exposed to legal risk.
- The Company engages 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 the impact of all laws and regulations to ensure the 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.
- The Company has established a compliance management system in the organisation, and the Company Secretary ensures the submission of the quarterly compliance reports by functional heads for placing the same before the Board, supported by periodical Secretarial Audit Reports by Practising Company Secretaries.

Risk Mitigation Measures adopted by the Company:

The following are the Risk mitigation measures adopted by the Company to mitigate the risks relating to Legal matters:

- A detailed study of all contracts with focus on contractual liabilities, deductions, penalties and interest conditions is carried out.
  - The Legal department and Legal Advisors vet the documents.
  - Contracts are finalised as per the advice from legal professionals and Advocates.
  - Insurance policies are audited to avoid any disputes subsequently.
  - Timely payment of insurance and full coverage of the properties of the Company under insurance.
2. Internal control systems for proper control of the operations of the Company and to detect any fraud. Effective control systems are implemented to ensure that the intellectual property of the Company is protected.
3. REVIEW

This policy will be reviewed as and when required by a change in circumstances affecting the risk portfolio of the Company.

Sd/-

**VIKAS SHARMA**

**Director**

**Effective Date: 01.12.2025**

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