MODERN DIAGNOSTIC & RESEARCH CENTRE LIMITED

(Formerly Known as Modern Diagnostic & Research Centre Private Limited)
CIN: U85110DL2012PLC234368

RISK MANAGEMENT POLICY

FRAMEWORK

Risk Management is a key aspect of the "Corporate Governance Principles and Code of Conduct" which aims to improvise the governance practices across the Company's activities. Risk management policy and processes will enable the Company to proactively manage uncertainty and changes in the internal and external environment to limit negative impacts and capitalize on opportunities.

OBJECTIVE AND PURPOSE OF POLICY/MECHANISM

The main objective of this policy is to ensure sustainable business growth with stability and covering the risk mapping and trend analysis, risk exposure, potential impact, Risk mitigation process. The purpose and objective of the Risk Management mechanism is to minimize the impact of the risks identified and taking advance actions to mitigate it. The mechanism works on the principles of probability of occurrence and impact, if triggered.

A detailed exercise is being carried out to identify, evaluate, monitor and manage both business and non-business risks.

DISCLOSURE IN BOARD'S REPORT

Board of Directors shall include a statement indicating development and implementation of a risk management policy for the company including identification therein of elements of risk, if any, which in the opinion of the Board may threaten the existence of the company.

BACKGROUND AND IMPLEMENTATION

The Company is prone to inherent business risks. This document is intended to formalize a risk management policy, the objective of which shall be identification, evaluation, monitoring and minimization of identifiable risks.

This policy is in compliance with the Listing Agreement which requires the Company to lay down procedure for risk assessment and procedure for risk minimization.

The Board of Directors of the Company and the Audit Committee shall periodically review and evaluate the risk management system of the Company so that the management controls the risks through properly defined network.

CONSTITUTION OF RISK MANAGEMENT COMMITTEE

Risk Management Committee shall be constituted by the company (if required, any time) consisting of such number of directors (executive or non-executive) as the Company thinks fit. The Board shall define the roles & responsibilities of the Risk Management Committee & may delegate monitoring & reviewing of the risk management plan to the Committee & such other functions as it may deem fit.

APPLICATION

This policy applies to all areas of the Company's operations.

ROLE OF THE BOARD

The Board will undertake the following actions to ensure risk is managed appropriately:

1. The Board shall be responsible for framing, implementing and monitoring the risk management plan for the company;

2. The Board shall define the roles and responsibilities of the Risk Management Committee and may delegate monitoring and reviewing of the risk management plan to the Committee and such other functions as it may deem fit;

3. Ensure that the appropriate systems for risk management are in place;

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

5. Participate in major decisions affecting the organization's risk profile;

6. Have an awareness of and continually monitor the management of strategic risks;

7. Be satisfied that processes and controls are in place for managing less significant risks;

8. Be satisfied that an appropriate accountability framework is working whereby any delegation of risk is documented and performance can be monitored accordingly;

9. Ensure risk management is integrated into board reporting and annual reporting mechanisms;

10. Convene any board-committees that are deemed necessary to ensure risk is adequately managed and resolved where possible.

REVIEW

This policy shall be reviewed at a minimum at least every year to ensure it meets the requirements of legislation & the needs of organization.

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