TEJAS NETWORKS LIMITED

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AMENDED AND RESTATED RISK ASSESSMENT, MANAGEMENT & MITIGATION - POLICY AND PROCEDURES

(Approved by the Board of Directors on January 23, 2019)

The purpose of the risk management committee of the Board of Directors (the "Board") of Tejas Networks Limited (the "Company") shall be to assist the Board in fulfilling its corporate governance oversight responsibilities with regard to the identification, evaluation and mitigation of strategic, operational, and external environment risks. The Committee has overall responsibility for monitoring and approving the risk management framework and associated practices of the Company. The risk management committee is also responsible for reviewing and approving risk disclosure statements in any public documents or disclosures. This Policy aims to provide an effective framework for taking informed decisions about risks and minimize the adverse consequence of risks on business objectives the Company. Nevertheless, the risks detailed herein are not exhaustive, and are only illustrative in nature.

This Policy may contain forward-looking statements, which are subject to certain risks and uncertainties that could cause the actual results to differ materially from those reflected in such forward-looking statements.

1. Definitions:

Risk	Risk is an event that may prevent, hinder or otherwise obstruct the achievement of the aims or goals of one or more key business or project stakeholders of the Company, which will adversely affect the Company's ability to maximize stakeholder value and to achieve its business objectives. Risk can cause financial disadvantage, damage, loss of value and/or loss of an opportunity to enhance the Company's operations or activities.
Risk Assessment	The systematic process of identifying and analysing risks.
Risk Management	A systematic way of identification, assessment, and prioritization of risks, followed by coordinated and economical application of resources, in order to protect the Company's business resources and income against losses so that the objectives of the Company can be achieved without unnecessary interruption. Risk management also provides a system for the setting of priorities when there are competing demands on limited resources.

Risk Monitoring	The process of tracking and evaluating the levels of Risks and the effectiveness of Risk Management strategies.

2. Policy Framework:

2.1 We adopt systematic approach to mitigate risks associated with accomplishment of objectives, operations, revenues and regulations. We believe that this would ensure mitigating Risks and taking proactive steps to help achieve the objectives of the Company.

2.2 The Company's objectives can be viewed in the context of four categories: (1) 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 company-wide Risk Management policy, with focus on three key elements, viz. (1) Risk Assessment; (2) Risk Management; (3) Risk monitoring.

2.3 To meet the stated objectives, it is imperative to make effective strategies for exploiting opportunities and as a part of this the Company has identified key risks through Risk Assessment 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.

Operations:

7. Consistent revenue growth.
8. Consistent profitability.
9. High quality productivity.
10. Developing culture of innovation.
11. Attracting and retaining human talent and augmenting their training.

Reporting:

12. Maintaining high standards of Corporate Governance and disclosure.

Compliance:

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

3. Risk Management and Risk Monitoring

3.1 Risk Management is an on-going process and takes place in all material elements of the Company's organizational structure. Risk Management and Risk Monitoring are important in recognizing and controlling risks. Risk Management depends on risk management planning; early identification and analyses of risks; early implementation of corrective actions; continuous monitoring & reassessment; communication, documentation, and coordination, to ensure successful Risk reduction.

3.2 The dynamic legal and economic environment around the Company necessitates identifying and mitigating the Risks on timely manner, and every employee of the Company is responsible for the effective management of risk including the identification of potential risks.

3.3 The Board will be responsible for evaluation of Risks from time to time, the development of risk mitigation plans and for implementation of risk reduction strategies.

4. Risks specific to the Company and the mitigation measures adopted are as follows:

4.1. Business Risks:

4.1.1 These risks relate to such risks which impose uncertainty in revenues or risk of losses which could be harmful to the business, including, without limitation, the following:

a. Variance in the demand and supply of the product in various areas;
b. Project management and time risks;
c. Client preferences; and
d. Increase in competition

4.1.2 *Risk mitigation measures:*

Based on experience gained from the past, the Company is able to predict the demand during a particular period and accordingly supply is planned and adjusted.

4.2. Business Operations Risks:

4.2.1 These risks relate broadly to the company's organization and management, such as planning, monitoring and reporting systems in the day-to-day management process including, without limitation, the following:

(i) Organization and management risks,
(ii) Production, process and productivity risks,
(iii) Business interruption risks, and
(iv) Profitability risks

4.2.2 *Risk mitigation measures*:

a. The Company functions under a well defined organization structure.
b. Flow of information is well defined to avoid any conflict or communication gap between two or more Departments.
c. Second level positions are created in each Department to continue the work without any interruption in case of non-availability of functional heads.
d. Sufficient stock of raw materials is kept to ensure continuous production.
e. Effective steps are being taken to reduce cost of production.
f. Back-up captive power generating capacity for uninterrupted production.
g. Strong HR department to maintain excellent and cordial relations at all levels of employment.

4.3. **Liquidity Risks:**

4.3.1 These risks relate to debt financing, including, without limitation, the following:
(i) Financial Solvency and liquidity risks
(ii) Borrowing limits
(iii) Cash management risks

4.3.2 *Risk mitigation measures:*

a. Proper financial planning is put in place.
b. Cash management services are availed from Bank to avoid any loss of interest on collections.
c. Exposure to foreign exchange transactions are supported by letters of credit and bank guarantee and suitable hedging policy.

4.4. **Credit Risks:**

4.4.1 These risks relate to credit given by the Company and shall include without limitation the following:
(i) Risks in settlement of dues by clients.
(ii) Provision for bad and doubtful debts.

4.4.2 *Risk mitigation measures:*

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

4.5. **Logistic Risks:**

4.5.1 These risks relate to logistics services availed by the Company, including without limitation, the use of outside transport sources.

4.5.2 *Risk mitigation measures:*

a. Sourcing committed and dedicated service providers.
b. Exploring possibility of an in-house logistic mechanism if the situation demands.
c. Possibilities to optimize the operations, by having a combination of transportation through road / rail and sea / air are explored.
d. Comprehensive transit risk insurance coverage for all incoming and outgoing goods across the organization.

4.6. Market Risks / Industry Risks:

4.6.1 These risks relate to market and industry performance, and shall include, without limitation, the following:

(i) Demand and Supply Risks
(ii) Quantities, Qualities, Suppliers, lead time, interest rate risks
(iii) Raw material rates
(iv) Interruption in the supply of Raw material

4.6.2 *Risk mitigation measures:*

a. Raw materials are procured from different sources at competitive prices.
b. Alternative sources are developed for uninterrupted supply of raw materials.
c. Demand and supply are external factors on which company has no control, but however the Company plans its production and sales from the experience gained in the past.
d. The Company tries to reduce the gap between demand and supply.
e. Proper inventory control systems have been put in place.

4.7. **Human Resource Risks:**

4.7.1 These risks relate to personnel employed by the Company, including without limitation the following:

(i) Employee turnover risks, involving replacement risks, training risks, skill risks, etc.
(ii) Unrest risks due to strikes and lockouts.

4.7.2 *Risk mitigation measures:*

a. Company has proper recruitment policy for recruitment of personnel at various level in the organization.
b. Proper appraisal system to give yearly increment is in place.
c. Employees are trained at regular intervals to upgrade their skills.
d. Labour problems are obviated by negotiations and conciliation.
e. Activities relating to the welfare of employees are undertaken.

4.8. **Disaster Risks:**

4.8.1 These risks relate to force majeure events that may adversely impact the Company including without limitation the following:

(i) Natural risks like fire, floods, earthquakes, etc.
(ii) Terrorist attacks;
(iii) Insurgency;

4.8.2 *Risk mitigation measures:*

a. The property of the company is insured against natural risks, like fire, flood, earthquakes, etc.
b. Fire hydrants have been installed at all manufacturing locations. Other apparatus like extinguishers filled with chemical, Foam etc. have been placed at fire sensitive locations and regular fire safety drills are carried out.

4.9. **Legal Risks:**

4.9.1 These risks shall include, without limitation, the following:

(i) Contract Risks
(ii) Contractual Liability
(iii) Frauds
(iv) Judicial risks
(v) Insurance risks
(vi) Patent, design and copyright infringement risks
(vii) Legal risk is the risk in which the Company is exposed to legal action.

4.9.2 *Risk mitigation measures*

a. As the Company is governed by various laws and the Company has to do its business within four walls of law, the Company is likely to be exposed to legal risks.
b. The Company engages professionals, advisors who focus on evaluating the risks involved in a contract, ascertaining the Company's responsibilities under the applicable law of the contract, restricting the Company's 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. The suggestions and recommendations from professional agencies and industrial bodies, chambers of commerce etc., are carefully analyzed and acted upon wherever relevant.
c. The Company has a compliance management system to check for any non-compliances and/or delays, if any, are report the same to the Board.

5. Risk Organization Structure:

In addition to the mitigation measures undertaken by the Company for the specific Risks discussed above, for the successful implementation of risk management framework, the Board has constituted a dedicated risk management committee (the "**Committee**"), to lead the risk management teams. The Committee shall monitor and review the Risk Management plan of the Company, as framed and monitored by the Board of the Company.

6. Disclaimer Clause:

The Board cautions readers that the risks outlined above are not exhaustive and are for information purposes only. The Board 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 Company.