3i INFOTECH LIMITED

Risk Management Policy

3i Infotech
LIMITLESS EXCELLENCE

1) Background:

3i Infotech Limited ("the Company") has emerged as a leading name in propelling the current wave of digital transformation initiatives, with deep domain expertise across BFSI, Healthcare, Manufacturing, Retail and Government sectors. The Company has over 5000 employees in 30 offices across 15 countries and over 1000+ clients in more than 50 countries across 4 continents. With a wide range of IT services, 3i Infotech has successfully transformed business operations of customers globally. The Company has a very strong foothold and client base in geographies like North America, India, Asia Pacific, Middle East and Africa, Kingdom of Saudi Arabia, and South Asia.

The Company's business and its presence across geographies exposes the Company to various risks inherent to such business and industry. Accordingly, risk management is being put in place, to respond to various risks that pose against the Company.

In compliance with applicable requirements of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, this Risk Management Policy ("Policy") is being formulated by the Board of Directors of the Company.

2) Applicability:

This Policy shall be applicable to all areas of operations of Company and its Indian and foreign subsidiaries (including step-down subsidiaries).

3) Objectives:

The aim of this Policy is to manage and eliminate the risks involved in the Company's business activities, to maximize opportunities and minimize adversity by considering the following:

1. Identification, assessment and management of risks and defining ownership with clearly defined roles and responsibilities;
2. Balance between the cost of managing risk and the anticipated benefits;
3. Contributing to more efficient use/allocation of capital and resources; and
4. To encourage and promote a pro-active approach towards risk management;

4) Risk Management:

Key elements of Risk Management program are set out below:

Risk Identification

The identification of risks is the first step in the risk management framework. The purpose of identification of risks is to identify the events that have an adverse impact on the achievement of the business objectives.

The Company focuses on several internal and external risks, including but not limited to:

- Operational risks;
- Legal & Compliance risks;
- Reputational risks;
- Financial risks;
- Technological risks;
- Cyber security risks;

Risk Categorization

Aforesaid Identified Risks are generally categorized into the following categories:

- **Operational Risks**
  - Unreconciled Balances/Accounts> 30
  - Receivables/payables beyond 90 days
  - Accuracy of plans
  - Processing Errors of different types
  - Liquidity management
  - Inter-company outstanding items and ageing
  - Plan and Variance Analysis
  - Expense Monitoring v/s Plan
  - Delegation of Authority Exceptions
  - Accuracy/Availability of Records
  - Timely/accuracy of booking of expenses and Income

- **Legal & Compliance Risks**
  - SEBI/ROC Compliances, completeness and timeliness
  - Stock Exchanges filings
  - Taxation Filings
  - Financial Accountings Disclosures and their accuracy
  - Penalties for violations/ delays
  - Legal/ Claims against the company
  - Consolidation/closure of non-functional legal entities
  - Checklist for Recurring and Event based compliance requirements

- **Reputation Risks**
    - Employee Turnover
    - Information Security Violations/impact
    - Data Loss Prevention incidents/Impact
    - Large Client Contract Loss > 1 MM USD
- **Financial Risks**
    - Indebtedness of the Company and its subsidiaries
    - Risk involved in giving a guarantee to any of the transactions

Oversight and Management:

Board of Directors

The Board of Directors of the Company is responsible for reviewing and ratifying the risk management structure, processes and guidelines, which are developed and maintained by the Risk Management Committee and Senior Management.

Risk Management Committee

For carrying out oversight and management of risk management program across the Company, the Board has constituted a committee named the Risk Management Committee ("RMC").

The RMC is *inter alia* responsible for -

- Devising measures for mitigation of identified risks including systems and processes for internal control of identified risks and a business continuity plan;
- Ensuring that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- Periodically reviewing the risk management policy, at least once in two years, considering the changing industry dynamics and evolving complexity;
- Keeping the Board of directors informed about the nature and content of its discussions, recommendations and actions to be taken and
- Review of appointment, removal and terms of remuneration of the Chief Risk Officer (if any).

Risk Owners/ Employees

The Company's Senior Management and Heads of Departments are responsible for implementing, managing and monitoring action plans with respect to material business risks, as appropriate.

Audit Committee

Risk Management Committee coordinates with Audit Committee, on areas of overlap concerning audit activities.

Review of Risk Management:

This risk management policy shall be reviewed as deemed necessary by the Risk Management Committee and at least once in two years, to evaluate the effectiveness of risk management program.

5) Amendment

The Board of Directors of the Company shall have the power to amend any of the provisions of this Policy, substitute any of the provisions with a new provision or replace this Policy entirely with a new Policy.

Any subsequent amendment/modification in the Act or rules made thereunder or the Listing Regulations and/or other applicable laws in this regard shall automatically apply to this Policy.
