

Dynamic Portfolio Management & Services Ltd.

Regd. Office: 1403, Vikram Tower 16, Rajendra Place, New Delhi-110008,
Phone: 9017255300 Website: www.dynamicwealthservices.co.in ,
Email: dpms.kolkata@gmail.com, CIN: L74140DL1994PLC304881

RISK MANAGEMENT POLICY

1. RISK MANAGEMENT

“Dynamic Portfolio Management & Services Limited” recognises that enterprise risk management is an integral part of good management practice. Risk Management is an essential element in achieving business goals and deriving benefits from market opportunities.

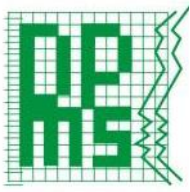
2. POLICY

- The Company is committed to managing risk in a manner appropriate to achieve its strategic objectives.
- The Company will keep investors informed of material changes to the Company’s risk profile through its periodic reporting obligations and ad hoc investor presentations.
- The Company reviews and reports annually on its compliance Corporate Governance Principles and Recommendations which include risk management and internal control framework.

3. RISK MANAGEMENT PHILISOPHY

The continued successful safeguarding, maintenance and expansion of the Company’s Businesses require a comprehensive approach to risk management. It is the policy of the Company to identify, assess, control and monitor all risks that the business may incur to project, business or practice and to ensure that no individual risk or combination of risks result in a likely material impact to the financial performance, brand or reputation of the Company. Fundamental values of the Company are respect for our employees, customers and shareholders and integrity in everything we do. By acknowledging that risk and control are part of everyone’s job and by incorporating risk management into all daily business practices of the Company will be better equipped to achieve our strategic objectives, whilst maintaining the highest ethical standards. All staff are expected to demonstrate the highest ethical standards of behaviour in development of strategy and pursuit of objectives. Individually and collectively the Company’s employees shall:

- Consider all forms of risk in decision-making.
- Create and evaluate group-wide (“Corporate”), divisional and business unit risk profiles.
- Continually monitor and seek ways to improve the risk management framework.
- Retain ownership and accountability for risk and risk management at the corporate and divisional level.



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- Strive to achieve best practices and

4. LEGAL FRAMEWORK

In accordance with Section 134(3)(n) of the Companies Act, 2013, a Company is required to 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 and further as per Regulation 17 of the SEBI (LODR) Regulations, the board of directors shall be responsible for framing, implementing and monitoring the risk management plan for the listed entity.

Further, the provisions of Section 177(4)(vii) of the Companies Act, 2013 require that every Audit Committee shall act in accordance with the terms of reference specified in writing by the Board which shall inter alia include evaluation of risk management systems.

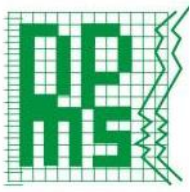
Accordingly, to mitigate and manage risk at the Company, the Company has formed the policy (the "Risk Management Policy") for the same. This document shall be under the authority of the Board of Directors of the Company. It seeks to identify risks inherent in the operations of the Company and provides guidelines to define, measure, report, control and mitigate the identified risks.

5. RISK APPETITE

Dynamic Portfolio Management and Services Limited appetite represents the amount of risk the Company is willing to undertake in the achievement of its strategic objectives. It is inextricably linked to the Company's strategic and operating planning processes.

In assessing risk appetite, the Board and management consider the needs and expectations of the Company's shareholders, customers and employees and desire to build a profitable, socially responsible and sustainable organization. As an organization that provides products and services that are all essentially of a compliance nature, the Board and management acknowledge that stakeholder expectations are likely to be more exacting that could be applied to other organizations. As a consequence, Dynamic Portfolio Management & Services Limited will not accept risks which could expose Company to:

- Unacceptable level of financial loss relative strategic and operational targets.
- Breaches of legislative or regulatory non-compliance.
- Damage to its reputation.
- Unacceptable interruption to the provision of services to customers.
- Damage to relationships with its customers and key-stakeholders.
- Health and safety metrics below targets.



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The Board and management acknowledge that Company operates in sectors that are growing and consolidating. Opportunities exists to supplement organic growth with selected acquisitions to grow the business, provide enhanced opportunities for our people and improved returns for our shareholders and reduce the reliance on any one single income stream. The Board and management accept that acquisitions are inherently risky but accept this risk providing the acquisitions:

- Is consistent with strategic objectives.
- Is financially compelling and
- Is subjected to detailed financial and legal due diligence reviews.

6. RISK FRAMEWORK

- Risk identification, assessment and treatment are part of the yearly business planning process. Risk ownership is allocated to management for risk assessment and risk treatment plan determination.
- Regular review, assessment and monitoring of existing risks is to be done. New risks are to be managed as they arise. All risks must be re-assessed when there is an organizational change to business structure (i.e., an acquisition, management change or restructure of the business).
- Risk assessment is conducted using a risk matrix for likelihood and consequences, taking the existing controls into consideration. The consequence assessment covers:
 - Financial
 - Service delivery
 - People (including health and safety)
 - Reputation and Brand and
 - Regulatory
- Risk Treatment options are considered in determining the suitable risk treatment strategy. Planned actions plans supporting the strategies that are recorded in an on-line risk management database identifying responsibilities and a time line for completion. Risk treatment options include:
 - Avoid risks
 - Reduce the likelihood of the occurrence
 - Reduce the consequences of the occurrence
 - Transfer the risk (mechanism includes insurance arrangements), or
 - Retain the risks.
- Senior Management are required to monitor and review existing risks



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recorded in the risk management system.

- Key risks reports, with progress of risk treatment implementation and the effectiveness of controls, are to be reviewed by the Audit Committee.
- Reports relating to the risk management framework are reviewed by the Board and Audit Committee, with “risk management” being a standing item on each meeting of the Committee.
- To further help control risks that may arise internally and externally with customers, Dynamic Portfolio Management & Services Limited utilizes services Quality Management System as required by the certifying authorities and in present by ensuring compliance with relevant standards.

7. RISK MANAGEMENT RESPONSIBILITIES AND AUTHORITY

a. Board and Audit Committee

- The Board oversees the establishment and implementation of the Company’s enterprise risk management framework and shall review annually the effectiveness of that system.
- The Audit Committee oversees the operation of the enterprise risk management system and ensures its adequacy. The Committee monitors the internal policies for identifying and determining key risks to which the Company is exposed.

b. Chief Financial Officer and Audit Committee

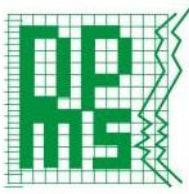
- The Chief Financial Officer and the members of the Audit Committee are responsible for monitoring and reviewing the strategic risk, continued relevance of risk assessment, effectiveness of risk treatment plan and timeliness of implantation of risk treatment actions, taking into account changing circumstances.

c. All Staff

- The effective management of risk is the responsibility of all managers, staff and others engaged to act on behalf of the Company.

8. INTERNAL COMPLIANCE AND CONTROLS

- In addition to the risk management framework, the Company has an internal compliance and control system based on the following:



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- An internal audit program approved by the Audit Committee.
- A financial reporting control system which aims to ensure that financial reporting is both accurate and timely.

- The Company has a number of control processes in place to help ensure that the information presented to senior management and the Board is both accurate and timely. The control processes include, among other things:
 - Annual audit and half year review by the Company's external auditor.
 - Planned review by internal auditors reviewing the effectiveness of internal processes, procedures and controls.
 - Quarterly review of financial performance compared to budget and forecast.

9. COMPLIANCE AND CONTROL RESPONSIBILITIES AND AUTHORITY

a. Board and Audit Committee

- The Audit Committee is responsible for approving the appointment of the internal auditor and approving the annual internal audit plan.

b. Internal Audit

- The Internal Audit function is independent of the external auditor and has direct access to the Chairman of the Board and the Chairman of the Audit Committee. To ensure the internal auditor can act independently its functionally responsible, and reports to the Audit Committee. It is administratively and reports to the CFO.
- Any deviations from the Company's policies through internal audits are reported to responsible management for action and to the Audit Committee for Information or further action.

10. ASSESSMENT OF EFFECTIVENESS

- Internal Audit provides the Audit Committee and management with independent and objective assurance and advisory services and helps the Company to accomplish its objectives by bringing a systematic, disciplined approach to the evaluation and Improvement of the effectiveness of risk management, control and governance functions.
- The Audit Committee is responsible for reviewing and analyzing the effectiveness of the risk management framework, the internal compliance and control systems and shall report on the same to the Board, no less than annually or at such intervals as determined by the Board.



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For and on Behalf of

M/s Dynamic Portfolio Management & Services Limited

S/d

Kailash Chandra Agarwal

Managing Director