

ICON FACILITATORS LIMITED

FOREIGN EXCHANGE RISK MANAGEMENT POLICY

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1. PREAMBLE

- 1.1 The Companies can also avail Foreign Currency (FC) funding in the form of LC/ PCFC as the situation warrants. The impact of these fluctuations on the Company's profitability and finance is considered material.
- 1.2 It is therefore, important that the company manages and mitigates risk and accordingly develops a Currency Risk Management Policy Document which will provide the necessary guiding parameters.

2. OBJECTIVES

- 2.1 To make certain that the Foreign Exchange Risk are effectively identified, assessed, monitored and managed by the company in consistent with the overall objectives of the company and in compliance with the legal requirements and regulations of Reserve Bank of India.
- 2.2 To manage Foreign Exchange transactions as a cost- containment exercise only.
- 2.3 To minimize the impact of Forex rate variations on INR value of committed receipts and payments in foreign currencies while minimizing the cost of Rupee funding of protection.
- 2.4 To ensure FC funding, where availed, does not exceed the cost of Rupee funding of a comparable nature, at the time of availing,
- 2.5 To reduce cash flow uncertainties and improve financial decision making.

3. POLICY

- 3.1 Decision regarding borrowing in Foreign Currency and hedging thereof, (both interest and exchange rate risk) and the quantum of coverage shall be driven by the need to keep the cost comparable.
- 3.2 Foreign Currency loans shall be hedged after taking into consideration the anticipated Foreign exchange inflows / outflows in the form of Exports/Imports.
- 3.3 The tenure of the forward contract shall be decided considering the tenure of the underlying Foreign Currency transaction generally not exceeding five years.
- 3.4 The decision regarding Foreign Exchange Transaction shall be made in the Corporate office only

- 3.5 We use to avert foreign exchange risk associated with international transaction in 'which the exchange rate for the transaction is fixed for a future date, instead of using the future date's prevailing exchange rate.

By doing this, the profit to be earned by the Company will be served, in remain unaffected despite any change in the exchange rate between the contract/ order date and the payment date.

- 3.6 Some hedging strategies commonly used in the financial market like forward contract, future contracts. We use from time to time as per the situation of market and the amount of transaction subject to approval of Managing Director of the Company.
- 3.7 Derivatives if found required to hedge position, could be entered only with the prior approval of the Managing Director.
- 3.8 Foreign Currency Transaction shall be recorded in accordance with the guidelines laid down in Accounting Standards.

3.9 Day-to-day decisions regarding booking /cancelling forward contracts or booking /unwinding option contracts shall be made with the approval of the Managing Director and the documents in respect of the foreign exchange transactions shall be executed by those authorized signatories who as duly authorized by the Board of the Company to operate the bank account.

3.10 The officer-in-charge of Treasury Operations at the Corporate Office will maintain a detailed database of all hedges obtained bank-wise and arrange for utilization / cancellation of the same as in tune with the above said Objective and Policy decisions.

4. REPORTING & REVIEW

4.1 The details of foreign currency Loans/ Foreign Exchange Derivative Contracts done in the immediately preceding quarter shall be submitted to the Board at the meeting to be held in the succeeding quarter.

4.2 Periodical review of the Foreign Exchange Transactions and Hedging carried out would be done by the internal auditor of the Company and reported to the Management.

For ICON FACILITATORS LIMITED

Dinesh Makhija
Chairman & Director
DIN: 06629656

Date: September 10, 2024
Place: New Delhi