



# RISK MANAGEMENT POLICY

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TAKE Solutions Limited



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## **INTRODUCTION:**

Risk Management is a key aspect of the Corporate Governance Principles 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 & PURPOSE OF POLICY**

Risk represents the possibility that an event or action may disrupt the Company's ability to enhance stakeholder value and accomplish its business goals. Risk Management embodies a comprehensive, unified, organized, and methodical strategy for handling risks, aimed at optimizing shareholder value.

## **RISK MANAGEMENT FRAMEWORK:**

Risk management is an integral part of Company's day-to-day operations and a key task of every project manager or person responsible for handling any assignment. A systematic risk management process is being evaluated for projects, according to the project's size, complexity and contract model.

## **DISCLOSURE IN BOARD'S REPORT**

The Board of Directors must outline a statement outlining the creation and execution of a risk management policy for the company. This policy should identify any elements of risk that, in the Board's view, could potentially jeopardize the company's viability.

## **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 applicable provisions of the Companies Act, 2013 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.

Head of Departments shall be responsible for implementation of the risk management system as may be applicable to their respective areas of functioning and report to the Board and Audit Committee.

## RISK MANAGEMENT STRUCTURE

The Risk Management Organization of the Company shall comprise of the following:

### a) Board of Directors (BOD)

Shall be responsible for framing, implementing, and monitoring the risk management plan. This will be achieved by review of the risk assessment and minimization procedures across the Company after review and recommendation of the Risk Management Committee ('RMC')

### b) Risk Management Committee

- Advise the Board on the Company's overall risk tolerance and strategy.
- Oversee and advise the Board on the current risk exposures and future risk strategy of the Company.
- Review the Company's overall risk assessment processes, the parameters used in these measures and the methodology adopted.
- Advise the Board on Business continuity plan.

### c) Enterprise Risk Management Council ('Council')

- Establish key enterprise risk management objectives, strategies and guiding principles.
- To ensure proper identification & prioritization of key risks. Risk identification shall include uncommon type of risks.
- Perform Sensitivity analysis and Stress testing on a need basis.
- For key risks, co-ordinate development of mitigation plans with the risk owner.
- To oversee key risk management activities.
- Submit the mitigation status to the RMC.
- Head – Risk and Management Assurance is part of ERM Council comprising of respective business CEOs and Aayush CFO and shall be responsible for monitoring risk management activities.
- Head – Risk and Management Assurance to provide half yearly update to Risk Management Committee on all risk mitigation efforts to achieve business objectives and goals.

### d) Risk Owners/ Mitigation Plan Owners

- Risk owners are Senior Management personnel who are responsible for monitoring of key risks and ensuring timely implementation of mitigation plans.
- Mitigation plan owners are responsible for timely implementation of the mitigation plans assigned to them and periodic certification on their effectiveness.

## 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:
- The Board shall be responsible for framing, implementing and monitoring the risk management plan for the company.
- 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.
- Ensure that the appropriate systems for risk management are in place.
- 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;
- Participate in major decisions affecting the organization's risk profile;
- Have an awareness of and continually monitor the management of strategic risks;
- Be satisfied that processes and controls are in place for managing less significant risks;
- Be satisfied that an appropriate accountability framework is working whereby any delegation of risk is documented and performance can be monitored accordingly;
- Ensure risk management is integrated into board reporting and annual reporting mechanisms;
- 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.