

ramco

**RAMCO SYSTEMS LIMITED**

**RISK MANAGEMENT POLICY**

# **RISK MANAGEMENT POLICY**

## **OVERVIEW**

This is in compliance with Section 134 (3) (n) of the Companies Act, 2013 and Regulation 17(9) SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 which requires the Company to develop and implement a Risk Management Policy and to lay down risk assessment and minimisation procedures.

## **ROLE OF BOARD OF DIRECTORS**

The Board of Directors of the Company oversee the development of Risk Management Policy and the establishment, implementation and monitoring of the Company's risk management system, in accordance with the policy.

## **ROLE OF THE CHIEF EXECUTIVE OFFICER**

The Chief Executive Officer has responsibility for identifying, assessing, monitoring and managing risks. The Chief Executive Officer is also responsible for identifying any material changes to the Company's risk profile and ensuring, with approval of the Board, the risk profile of the Company is updated to reflect any material change.

Implementation of the risk management system and day-to-day management of risk is the responsibility of the Chief Executive Officer, with the assistance of senior management, as required.

The Chief Executive Officer is required to report to the Board as to the effectiveness of the Company's management of its material business risks on a regular basis.

## **ROLE OF THE HEADS OF THE DEPARTMENTS**

Heads 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 Chief Executive Officer.

## **RISK PROFILE**

The Company considers that any risk that could have a material impact on its business should be included in its risk profile. The areas of risk include,

- a. Human capital risk
- b. Quality Risk
- c. Technology Risk
- d. Competition Risk
- e. Financial Risk including Foreign Exchange Risk
- f. Realisation Risk
- g. Cost Risk
- h. Legal Risk

The key risk management process would include

- i. Risk Identification
- ii. Assessment of identified risk
- iii. Risk measurement
- iv. Risk mitigation
- v. Monitoring of the risk mitigation efforts
- vi. Risk reporting and disclosures
- vii. Integration with strategy and business plan

## **ROLE OF AUDIT**

A strong and independent Internal Audit Function carries out risk focussed audits across all businesses, enabling identification of areas where risk management processes may need to be improved. The Audit Committee of the Board reviews Internal Audit findings, and provides strategic guidance on internal controls. It also monitors the internal control environment within the Company and ensures that Internal Audit recommendations are effectively implemented.

## **RESPONSIBILITY TO STAKEHOLDERS**

The Company considers the reasonable expectations of stakeholders particularly with a view to preserving the Company's reputation and success of its business. Factors which affect the Company's continued good standing are included in the Company's risk profile.

## **CONTINUOUS IMPROVEMENT**

The Company's risk management system is always evolving. It is an ongoing process and it is recognised that the level and extent of the risk management system will evolve commensurate with the development and growth of the Company's activities. The risk management system is a "living" system and the documentation that supports it will be regularly reviewed and updated in order to keep current with Company circumstances.

.....