



## RISK MANAGEMENT POLICY

### PREAMBLE

Risk Management encompasses the culture, processes and structures that are directed towards the effective management of potential opportunities and adverse effects within the corporate environment. Risk is inherent in all administrative and business activities. Every member of the Organisation continuously manages risk. Formal and systematic approaches to managing risk have evolved and they are now regarded as good management practices. As a consequence we acknowledge that the adoption of a strategic and formal approach to risk management will improve decision-making, enhance outcomes and accountability. The aim of this policy is not to eliminate risk, rather to manage the risks involved in all business activities to maximize opportunities and minimise adversity. Effective risk management requires:

- A strategic focus,
- Forward thinking and active approaches to management
- Balance between the cost of managing risk and the anticipated benefits, and
- Contingency planning in the event that mission critical threats are realised.

Risk management also provides a system for the setting of priorities when there are competing demands on limited resources.

### SCOPE

This Policy, as a standard sets out the detailed requirements and minimum levels of achievement necessary to implement the risk management elements of the business. This policy facilitates management of risks associated with our activities and minimize the impact of undesired and unexpected events. Taking and managing appropriate levels of risk is an integral part of all our business activities. Risk Management, performed rigorously and comprehensively, creates stability, indirectly contributes to profit and is a key element of reputation management.

### KEY DEFINITIONS

The key definitions for this policy follow:

· **Risk**

The chance of something happening that will have an adverse impact on the achievement of the Organisation's objectives. Risk is measured in terms of consequences and likelihood.

· **Risk Assessment**

The systematic process of identifying and analyzing risks.

· **Risk Management**

The systematic way of protecting business resources and income against losses so that the objectives of the Company can be achieved without unnecessary interruption.

· **Risk Management Process**

The systematic application of management policies, procedures and practices to the tasks of establishing the context, identifying, analysing, evaluating, treating, monitoring and communicating risk.

### RISK FACTORS

The business of the Company is subject to risks that are external and internal as enumerated below.

**External Risk Factors Internal Risk Factors**



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Economic Environment and Market conditions, Financial Reporting Risks, Political Environment, Compliance with Local & National laws, Competition Contractual Compliance, Inflation and Cost structure, Human Resource Management.

## POLICY STATEMENT

We will maintain procedures to provide the Organisation with a systematic view of the risks faced in the course of our administrative and business activities. This will require the Company to:

- **Establish a context.** This is the strategic, organisational and risk management context against which the rest of the risk management process in the Organisation will take place. Criteria against which risk will be evaluated should be established and the structure of the risk analysis defined.
- **Identify Risks.** This is the identification of what, why and how events arise as the basis for further analysis.
- **Analyse Risks.** This is the determination of existing controls and the analysis of risks in terms of the consequence and likelihood in the context of those controls. The analysis should consider the range of potential consequences and how likely those consequences are to occur. Consequence and likelihood are combined to produce an estimated level of risk.
- **Evaluate Risks.** This is a comparison of estimated risk levels against pre established criteria. This enables risks to be ranked and prioritized.
- **Treat Risks.** For higher priority risks, the Organisation is required to develop and implement specific risk management plans including funding considerations. Lower priority risks may be accepted and monitored.
- **Monitor and Review.** This is the oversight and review of the risk management system and any changes that might affect it. Monitoring and reviewing occurs concurrently throughout the risk management process.
- **Communication and Consultation.** Appropriate communication and consultation with internal and external stakeholders should occur at each stage of the risk management process as well as on the process as a whole.

## RESPONSIBILITY FOR RISK MANAGEMENT

### General

Every staff member of the Organisation is responsible for the effective management of risk including the identification of potential risks. Management is responsible for the development of risk mitigation plans and the implementation of risk reduction strategies. Risk management processes should be integrated with other planning processes and management activities.

There is legislation in place for the management of specific risks such as Occupational Health and Safety, Equal Opportunity. The Risk Management policy does not relieve the Organisation's responsibility to comply with other legislation.

### Chairman/ Directors

The Chairman / Directors are accountable for ensuring that a risk management system is established, implemented and maintained in accord with this policy. Assignment of responsibilities in relation to risk management is the prerogative of the Chairman / Managing Director.



## Senior Executives

Senior Executives are accountable for strategic risk management within areas under their control including the devolution of the risk management process to operational managers. Collectively the

Senior Executives are responsible for:

- The formal identification of strategic risks that impact upon the University's mission;
- Allocation of priorities;
- The development of strategic risk management plans; and

Senior Executives will review progress against agreed risk management plans and will communicate this to the Board of Directors.

## President, Vice-Presidents, General Managers, Senior Managers and Operation Heads- Locations:

President, Vice-Presidents, General Managers, Senior Managers and Operation Heads- Locations are accountable to the Chairman / Directors for:

- Implementation of this policy within their respective areas of responsibility;
- Annual reporting on the status of the risk register, insofar as it impacts on their respective responsibilities, as part of the annual planning and review cycle;
- Ongoing maintenance of the risk register insofar as it impacts on their respective responsibilities; and
- Ensuring compliance with risk assessment procedures.

## Accounting & Finance Head

In addition to the functions as an Office Head, this officer will be accountable for the Organisation financial stability and will ensure that a risk management plan is completed for each commercial venture. Advice will be sought, as required, from the concerned internal functional head on risk management issues in relation to these matters.

## Human Resources- Head

In addition to the functions as an Office Head, this officer will remain accountable for the occupational health and safety and workers compensation portfolio, procedures and administration. Advice will be sought, as required, from the concerned functional head on risk management issues in relation to these matters.

## Internal Audit/Risk Manager

The Internal Audit/Risk Manager will be accountable for the implementation of this policy in key areas of the Organisation, maintaining a programmer for risk reassessment and a Risk Registers for the Organisation. Key areas will flow from the risk management plan developed by Senior Executives. The Internal Audit/Risk Manager will provide advice to the relevant Directors on risk management matters pertaining to the Organisations' financial stability and to occupational health and safety and workers' compensation issues.

**RISK MANAGEMENT COMMITTEE:** Risk Management Committee constitutes the following members(All the members of the Audit Committee for the time being on panel):

1. Mr. JaiKumar Gajanand Gupta, Managing Director,



3. Mr. Kapil Kishan Deo Aggarwal, Independent Director and
4. Mr. Raj Harshvardhan Aggarwal, Independent Director

## **Aim**

The aims of our Risk Management Committee are to:

- promote employee, stakeholder, and public safety;
- protect personnel, assets and intellectual property;
- encourage better quality service delivery;
- minimise loss and insurance costs, and
- improve contingency planning for dealing with risks and their impact.

## **Principles**

Operating principles that support this Risk Management Committee are summarised below:

We will actively:

- identify and rank all strategic risks;
- ensure risk management becomes part of day-to-day management;
- provide staff with the policies and procedures necessary to manage risks;
- ensure staff are aware of risks and how to manage them; and
- monitor our strategic risk profile and implement a continuous improvement approach to risk management.

## **COMPLIANCE AND CONTROL**

All the Senior Executives along with Internal Audit/Risk Managers under the guidance of the Chairman and Board of Directors has the responsibility for over viewing management's processes and results in identifying, assessing and monitoring risk associated with Organisation's business operations and the implementation and maintenance of policies and control procedures to give adequate protection against key risk.

In doing so, the Senior Executive along with Internal Audit/Risk Managers considers and assesses the appropriateness and effectiveness of management information and other systems of internal control, encompassing review of the external Auditor's report to management on internal control and action taken or proposed resulting from those reports.

The risk management and internal control systems within organization encompass all policies, processes, practices and procedures established by management and/or the Board to provide reasonable assurance that:

- Established corporate and business strategies and objectives are achieved;
- Risk exposure is identified and adequately monitored and managed;
- Resources are acquired economically, adequately protected and managed efficiently and effectively in carrying out the business;
- Significant financial, managerial and operating information is accurate, relevant, timely and reliable; and
- There is an adequate level of compliance with policies, standards, procedures and applicable laws and regulations.

## **GENERAL**

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The decision of the Board of Directors of the Company with regard to any or all matters relating to this policy shall be final and binding on all concerned. The Board of Directors of the Company shall have the power to modify, amend or replace this policy in part or full as may be thought fit from time to time in their absolute discretion.