



RISK ASSESSMENT MANAGEMENT POLICY

VERSION HISTORY

Version	Approval date	Description
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1. PREAMBLE

Section 134(3)(n) of the Companies Act, 2013 requires that the report by the Board of Directors (“**Board**”) of Emmvee Photovoltaic Power Limited (“**Company**”) laid at the general meeting shall include a statement on the development and implementation of a Risk Management Policy (“**Policy**”) for the Company.

Section 177(4)(vii) of the Companies Act, 2013 provides that Audit Committee shall evaluate the internal financial controls and risk management systems of the company.

Regulation 17(9)(a) and 21 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (“**SEBI LODR Regulations**”) inter alia, mandates laying down the procedures for risk assessment and minimization. Further Regulation 17(9)(b) SEBI LODR Regulations, provides the Board shall be responsible for framing, implementing and monitoring the risk management plan for the Company.

The Board has adopted the following Policy and the Board/ Risk Management Committee (“**Committee**”) may amend this Policy from time to time.

2. DEFINITIONS

“**Risk**” means a probability or threat of damage, injury, liability, loss, or any other negative occurrence that may be caused by internal or external vulnerabilities; that may or may not be avoidable by pre-emptive action.

“**Risk Management**” is the process of systematically identifying, quantifying, and managing all risks and opportunities that can affect achievement of a corporation’s strategic and financial goals.

“**Senior Management**” shall mean the officers and personnel of the listed entity who are members of its core management team, excluding the Board of Directors, and shall also comprise all the members of the management one level below the Chief Executive Officer (“**CEO**”) or Managing Director (“**MD**”) or whole time Director or manager (including CEO and Manager, in case they are not part of the Board) and shall specifically include the functional heads, by whatever name called and the persons identified and designated as key managerial personnel, other than the board of directors, by the listed entity.

“**Audit Committee**” means the Audit Committee constituted by the Board of the Company under Section 177 of the Companies Act, 2013, as amended and Regulation 18 of SEBI LODR Regulations.

“**Risk Management Committee/ Committee**” means the Committee formed by the Board in accordance with Regulation 21 of SEBI LODR Regulations.

Words and expressions used and not defined in this Policy shall have the meaning ascribed to them in the SEBI LODR Regulations, or the Companies Act, 2013 and rules and regulations made thereunder

3. OBJECTIVE AND PURPOSE

In line with the Company's objective towards increasing stakeholder value, a risk management Policy has been framed, which attempts to identify the key events/ risks impacting the business objectives of the Company and attempts to develop risk policies and strategies to ensure timely evaluation, reporting and monitoring of key business risks. Company's objects also include ensuring that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company. To monitor and oversee implementation of the risk management Policy, including evaluating the adequacy of risk management systems.

4. SCOPE AND EXTENT OF APPLICATION

The Policy guidelines are devised in the context of the present business profile, future growth objectives and new business endeavors/ services that may be necessary to achieve the goals & the emerging global standards & best practices amongst the comparable organizations. This Policy covers all the events within the Company & events outside the Company which have a bearing on the Company's business.

Every employee of the Company is recognized as having role in risk management for identification of risk to treatment and shall be invited & encouraged to participate in the process.

5. ROLES AND RESPONSIBILITIES

The Board/ Committee shall be responsible for framing, implementing and monitoring the risk management Policy for the company. The Audit Committee should ensure that adequate risk management systems exist. The Audit Committee shall review of risk management systems on an annual basis

The role of the committee shall, inter alia, include the following:

1. to formulate a detailed risk management Policy which shall include:
 - a. a framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee;
 - b. measures for risk mitigation including systems and processes for internal control of identified risks; and
 - c. business continuity plan.
2. to ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
3. to monitor and oversee implementation of the risk management Policy, including evaluating the adequacy of risk management systems;
4. to periodically review the risk management Policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
5. to keep the Board informed about the nature and content of its discussions, recommendations and actions to be taken;
6. the appointment, removal and terms of remuneration of the Chief Risk Officer ("CRO") (if any) shall be subject to review by the Committee;
7. any other similar or other functions as may be laid down by Board from time to time and/or as may be required under applicable law, as and when amended from time to time, including the SEBI LODR Regulations.

6. RISK MANAGEMENT FRAMEWORK

An effective Risk Management Framework comprises of:

- Risk management process - can be defined as the identification, assessment, and prioritization of risks followed by coordinated and economical application of resources to minimize, monitor, and control the probability and/or impact of unfortunate events or to maximize the realization of opportunities; and
- Risk management organization structure - the risk management process has to be supported by a risk management structure which primarily comprises of:
 - Roles and responsibilities
 - Risk management activity calendar

7. RISK MANAGEMENT ORGANISATION STRUCTURE

a) Board of Directors

The Board, through the Audit Committee shall oversee the establishment and implementation of an adequate system of risk management across the company. Board shall comprehensively review the effectiveness of the Company's risk management system on an annual basis.

b) Audit Committee

The Audit Committee would review the risk assessment & minimization procedures across the Company after review of the same by the Committee. The Audit Committee will assist the Board in independently assessing compliance with risk management practices. It will also act as a forum to discuss and manage key risks.

c) Risk Management Committee:

- i) Committee shall assist the Board in framing Policy, guiding implementation, monitoring, and reviewing the effectiveness of risk management Policy and practices. The Committee shall act as a forum to discuss and manage key strategic and business risks.
- ii) Committee shall prepare business continuity plan
- iii) The Committee shall have minimum three members with majority of them being members of the board of directors, including at least one independent director;
- iv) The Chairperson of the Committee shall be a member of the board of directors and senior executives of the listed entity may be members of the committee;
- v) The Committee shall meet at least twice in a year or at such intervals as may be required by the applicable law on the Company.

8. RISK MANAGEMENT PROCESS

Effective risk management process requires continuous & consistent assessment, mitigation, monitoring and reporting of risk issues across the full breadth of the enterprise. Broadly categorizing, the process consists of the following stages/steps:

- Risk identification
- Risk assessment
- Risk treatment (mitigation plan)
- Monitoring, review, and reporting

- **Risk Identification**

All events that can have an adverse impact on the achievement of the business

objectives, will be treated as risk associated with the business. All Heads of Departments/ Senior Managers shall identify all possible risks associated with their area of operation and report the same to MD or the CFO. All identified risks will be documented for evaluation.

While identifying the risk, the departments need to analyze their respective function from the angle of all internal and external risks specifically faced by the Company, which inter alia includes financial, operational, legal & Regulatory, sectoral, sustainability (particularly, ESG ("**Environmental, Social, Governance**") related risks), information, cyber security risks, socio cultural, political and economic policies, ethics and values, governance or any other risk as may be determined by the Committee.

- **Risk Assessment**

"Risk Assessment" includes determination of the impact, if the risk occurs, on the business / likelihood of the risk occurrence. All identified risks shall be evaluated periodically by key managerial personal /senior management led by MD & CEO.

Each identified risk is assessed on two factors which determine the risk exposure:

- a) Potential impact if the event occurs; and
- b) Likelihood of the occurrence/ re-occurrence of the event.

After taking into account the existing controls, the risks are assessed to ascertain the current level of risk and based on the above assessments, each of the risks shall be categorized as – Low, Medium, and High.

- **Risk Mitigation**

All identified risks should be mitigated using any of the following Risk mitigation plan.

- **Risk avoidance:** By not performing an activity that could carry risk. Risk avoidance may have the impact of the potential loss to the company.
- **Risk transfer:** Mitigation by having another party to accept the Risk, either partial or total, typically by contract or by hedging / Insurance.
- **Risk reduction:** Employing methods/solutions that reduce the severity of the loss.
- **Risk retention:** Accepting the loss when it occurs. Risk retention is a viable strategy only for small risks.

B. **MONITORING AND REVIEW**

In order to ensure that risk management is effective and continues to support Companies performance, processes shall be established to:

- Measure risk management performance against the key risk indicators, which are periodically reviewed for appropriateness;
- Periodically measure progress against, and deviation from, the risk management plan;
- Periodically review whether the risk management framework, Policy and plan are still appropriate, given the Company's external and internal context;
- Report on risk, progress with the risk management plan and how well the risk management Policy is being followed;
- Periodically review the effectiveness of the risk management framework; and



- Structured scientific and analytical tools may be used for this purpose.

9. RISK REPORTING

All identified risks, with analysis, evaluation, and risk mitigation plan should be reported to the Committee periodically, for their review and recommendations. The Committee shall meet at least twice in a year. The Committee shall have powers to seek information from any employee, obtain outside legal or other professional advice and secure attendance of external resources with relevant expertise, if it considers necessary.

10. BUSINESS CONTINUITY PLAN

The Company to initiate development of such plans in its risk management Policy. The plan should cover recovery plans in the event of any major disruption faced by the Company.

11. REVIEW OF THIS POLICY

This Policy shall be reviewed by the Committee as and when necessary, including by considering the changing industry dynamics and evolving complexity. Any change in the Policy shall be approved by the Board. The Board shall have the right to withdraw and/or amend any part of this Policy or the entire Policy, at any time, as it deems fit, or from time to time, and the decision of the Board in this respect shall be final and binding. Any subsequent amendment/modification in the Companies Act, 2013 or the rules framed thereunder or the SEBI LODR Regulations and/or any other laws in this regard shall automatically apply to this Policy.

12. COMPLIANCE

The Authorized person shall be responsible for supervision of the Policy. Any queries regarding the Policy shall be referred to the Authorized Person, who is in charge of administering, enforcing and updating the Policy.

13. INTERPRETATION

In any circumstance where the terms of this Policy are inconsistent with any existing or newly enacted law, rule, regulation or standard governing the Company, the said law, rule, regulation or standard will take precedence over this Policy.