

Risk Management Policy

1. PREAMBLE

Risk Management by and large involves reviewing the operations of the Organisation followed by identifying potential threats to the Organisation and the likelihood of their occurrence, and then taking appropriate actions to address the most likely threats;

The Companies Act 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 emphasise the requirement of Risk Management Policy of the Company;

Pursuant to the Provisions of the Companies Act 2013, a statement indicating development and implementation of a Risk Management Policy of the Company including identification therein of elements of risk, if any, which in the opinion of the Board may threaten the existence of the Company shall be included in the Board's report;

This Policy is framed in compliance with the provisions of the Companies Act 2013 along with applicable rules thereto and regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

2. PURPOSE

The Risk Management Policy lays down the Risk Management framework of Saksoft Limited (hereinafter referred to as the "Company"). It expresses the Company's intent to implement a structured and comprehensive risk management process which establishes the methodology for identifying, assessing and monitoring the risks. It also provides the Board and Management the assurance that the key risks are being identified and managed continuously for the organization to meet its objectives.

The Risk Management Policy aims to

- Achieve a sustainable competitive edge
- improve strategic planning efforts
- create a more risk focused culture for the organization, and
- Ensure compliance with regulatory matters.
- enhance Company's integrity and reputation

Embedding risk management principles and practices into strategy development and day-to-day operational processes is critical as they help to achieve robust and proactive business outcomes. 3

3. APPLICABILITY

This Risk Management Policy applies to the whole of the Company.

4. DEFINITIONS

‘Risk’ is the effect of uncertainty on objectives that an effect may be positive, negative or a deviation from the expected, and that risk is often described by an event, a change in circumstances or a consequence.

‘Risk Management’ refers to a coordinated set of activities and methods that is used to direct an organization and to control the many risks that can affect its ability to achieve objectives.

‘Risk Analysis’ refers to the process of determining how often specified events may occur (likelihood) and the magnitude of their consequences (impact).

‘Risk Management Framework’ is a set of components (foundation and organizational) that support and sustain risk management throughout an organization

‘Risk Management Policy’ expresses an organization’s commitment to risk management and clarifies its general direction or intention.

‘Audit Committee’ shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 177 of the Companies Act, 2013

‘Board’ means Board of Directors of the Company.

‘Company’ means Saksoft Limited.

‘Independent Director’ means a Director referred to in Section 149(6) of the Companies Act, 2013.

‘Policy or This Policy or Plan’ means “Risk Management Policy”.

‘Risk Management Committee’ means a Committee constituted in accordance with Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) 2015 by the Board and Senior Management of the Company to monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems.

5. STRUCTURE

The Risk Management Structure is elaborated in Section 4

6. RISK MANAGEMENT APPROACH

- A. The company shall lay down procedures to inform Board members about the risk assessment and minimization procedures.
- B. The Board shall be responsible for framing, implementing and monitoring the risk management plan for the company.

- C. The Board shall define the roles and responsibilities of the Risk and Audit Committee and may delegate monitoring and reviewing of the risk management plan to the Committee and such other functions as it may deem fit.

7. DOCUMENTATION

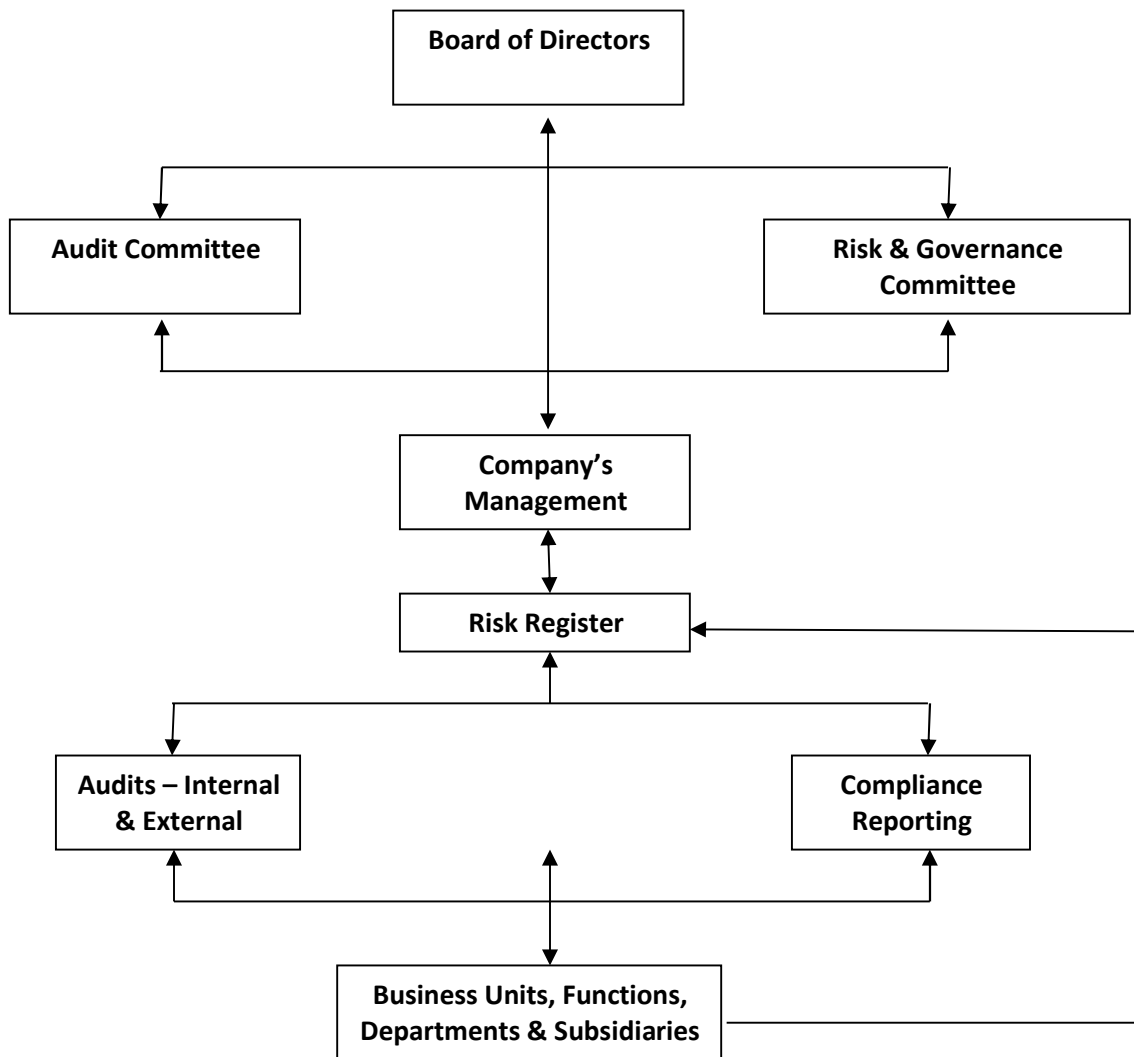
The key documents that pertain to the risk management process needs to be maintained by the Company are as follows:-

- Risk Management Policy which will provide the overall framework for the Company
- Risk Register:- This contains the major risk that have been identified and are being monitored by the Management. Being a crucial document it is used for Management control, reporting and review
- Risk Management Report:- This is to be placed before the Board for review and approval.

8. RISK MANAGEMENT STRUCTURE

An effective risk management system is dependent on an effective governance structure that helps to establish proper internal control environment

The organization structure for risk management is depicted through the flow chart below



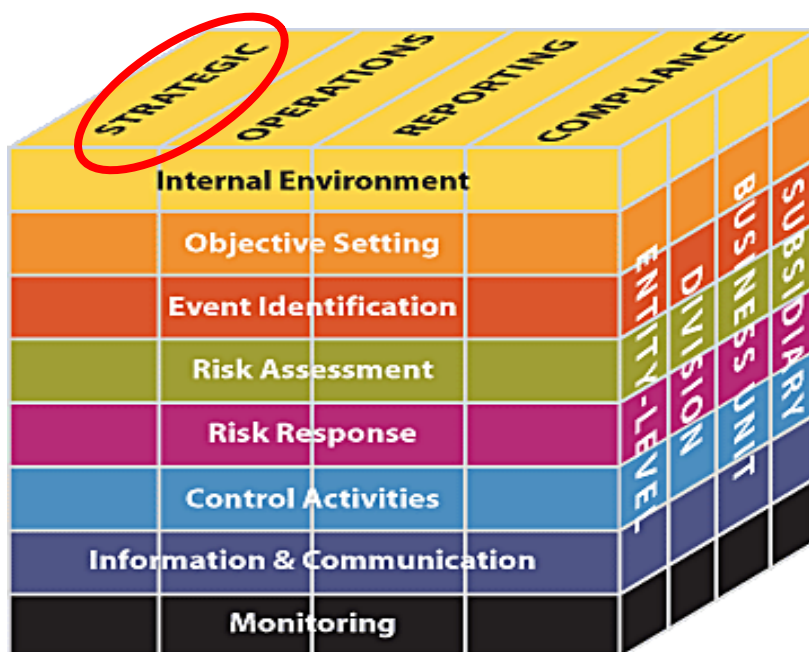
9. ROLES AND RESPONSIBILITIES

BOARD OF DIRECTORS	<ul style="list-style-type: none"> ➤ 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 and Audit Committee and may delegate monitoring and reviewing of the risk management ➤ The Board has to review the business plan at regular intervals and develop the Risk Management Strategy mitigating all the material risks, both external and internal viz. Environmental, Business, Operational, Financial and others.
Risk Committee	<ul style="list-style-type: none"> ➤ To approve the risk framework, risk assessment and risk management practices ➤ To ensure that the company takes prudent and balanced decision with regards to risk and reward in both ongoing and business activities ➤ To evaluate significant exposures of the Company and assess if the actions taken by management is adequate ➤ To establish metrics used to measure , monitor and manage risks ➤ To receive reports from the Company's Internal Auditors and Statutory Auditors on the results of risk management reviews and assessments;
Management	<ul style="list-style-type: none"> ➤ To ensure that there are adequate entity level/ functional policies / standard operating procedures ➤ To ensure that there is proper guidance in place to identify, assess and manage risk in their direct areas of responsibility and test control systems. ➤ To hold risk management meetings and review the risk management dashboard
Risk Owners	<p>The risk owners have a responsibility CEO has responsibility for maintaining risk registers for his/her areas of responsibilities. The registers should contain the below:</p> <ul style="list-style-type: none"> ➤ systematic/ unique Risk IDs that provide a linkage of risk to the Company's core strategies and functional business areas ➤ list the risks which will create uncertainty in achieving the Company's objectives ➤ provide an assessment of the impact and possible occurrence ➤ detail the existing risk mitigators/controls

	In case when there is any new functions and strategy or changes in existing function and strategy, risk owners are required to make changes in the risk registers after doing a proper risk assessment.
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10. RISK MANAGEMENT FRAMEWORK

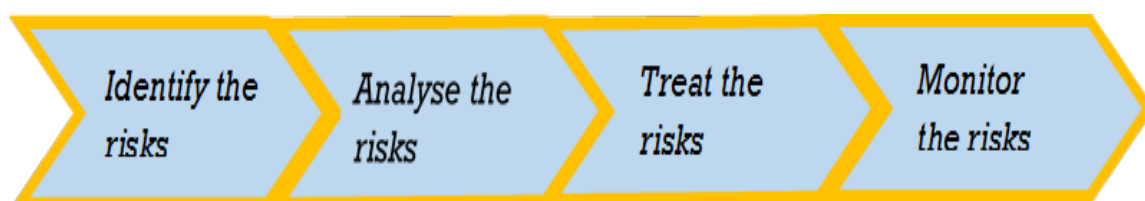
Risk Management is a process effected by an entity's board of directors, management and other personnel, applied in strategy setting and across the enterprise, designed to identify potential events that may affect the entity, and manage risks to be within its risk appetite, to provide reasonable assurance regarding the achievement of entity objectives. The eight components of the framework are interrelated.



11. RISK MANAGEMENT PROCESS

The risk management is a collaborative process where risk response plans are developed in concurrence with the stakeholders who understand the risks and are best able to manage them. The purpose is to identify potential problems before they occur so that risk-handling activities may be planned and invoked as needed.

The process of risk management is explained in the below diagram:-



- a. Identify the risks: The circumstances in which a risk arises has to be recognized before it can be clearly assessed and mitigated. There are many different types of risks – legal risks, environmental risks, market risks, regulatory risks, and much more. It is important to identify as many of these risk factors as possible
- b. Analyze the risks: Once risk has been identified it has to be analyzed for the scope, severity and seriousness. There are risks which can bring the whole business to a standstill if actualized, while there are risks which will only be minor inconveniences.
- c. Treat the risks: Every risk needs to be eliminated or contained as much as possible. The standard risk treatment options are→
 - Avoiding the risk- It is mostly opting for an alternate route to achieve the final objective.
 - Reducing the risk- It is trying to minimize the probable impact or occurrence of the risk while facing a situation
 - Transferring the risk- It is done by transferring the risk to a third party mostly like buying insurance, waivers and disclaimers
 - Retaining the risk- It is another strategy when one knows it is inherent part of the event and it is beneficial to retain it than to treat it
 - Monitor the risk- In spite of treating the risks there are some risks which are always present in the organization. These kind of risks needs to continuously watched by the organizations

12. RISK REPORTING

The report describes the review undertaken and tests performed, conclusions reached, corrective action plan, personnel responsible to take corrective action and completion dates.

Preparation of the report includes management's review to confirm accuracy of facts. Copies of the report are provided to the Chief Financial Officer. Relevant sections of the report are also provided to managers responsible for areas reviewed.

13. RISKS SPECIFIC TO THE COMPANY AND MITIGATION MEASURES

The risk control matrix covering the identified internal & external risks faced by the company in the broad areas including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks has been maintained as "STRATEGY RISKS" which is reviewed on a periodical basis

14. RISK MANAGEMENT CONTINUOUS IMPROVEMENT

The Company assesses the effectiveness of its Risk Management Framework through a well-structured continuous improvement process to ensure risks and controls are continually monitored and reviewed.

This includes appraisal of actions taken by risk owners to manage risks, input from the Internal Auditor and other assurance processes.

15. AMENDMENTS TO THE POLICY

The Board of Directors on its own and / or as per the recommendations of Risk Management Committee can amend this Policy, as and when deemed fit. Any or all provisions of this Policy would be subject to revision / amendment in accordance with the Rules, Regulations, Notifications etc. on the subject as may be issued by relevant statutory authorities, from time to time. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

16. DISCLAIMER CLAUSE

The Management cautions readers that the risks outlined above are not exhaustive and are for information purposes only. Management is not an expert in assessment of risk factors, risk mitigation measures and management's perception of risks. Readers are therefore requested to exercise their own judgment in assessing various risks associated with the Company