



# Risk Management Policy



**Triveni**  
TURBINES

## 1. Introduction

### 1.1 General

Triveni Turbine’s Risk Management Policy is applicable to all Triveni Turbine employees, who create and protect value by managing risks, making decisions, setting and achieving objectives and improving performance. Risk-based thinking and treatment of risks thus identified leads to the Risk Management practices adapted by the Company.

While this document lays down guiding principles, procedures, risk organization and reporting structure, the same are detailed in the Enterprise Risk Management Framework & Policy (2021) document (‘ERM Policy’).

### 1.2 Principles

Key reason for which Risk Management is internalized by the Company is for protection and creation of value – to its customers and stakeholders. The key focus is on achieving objectives set out by the Company, despite changes in internal and external condition in which the Company operates.

Figure 3 outlines principles of Risk Management at the Company. Each of these principles is explained briefly below the figure.



Figure 1. Principles of Risk Management at TTL

### 1.3 Framework

The purpose of the risk management policy is to ensure that the Risk Management Policy is integrated into significant activities and functions of the Company. Extent of such integration into governance and decision-making processes, shall determine effectiveness of this Risk Management Policy. The framework adopted at Triveni Turbines is depicted below.



Figure 2. Risk Management Framework at TTL

## 2. Normative References

The Risk Management Policy is developed on the basis of following references:

- Companies Act, 2013
- SEBI Regulations, 2021
- ISO 31000:2018 Risk Management – Guidelines
- COSO Enterprise Risk Management – Integrated Framework (2017)
- ISO 22301:2019 Security and resilience – Business continuity management systems – Requirements

## 3. Context of the Organization

Before laying out detailed the ERM Policy, contextual framework (both external and internal) in which the Company operates, is taken into account. This includes –

- Global competitive environment
- Changes in customer expectations
- Industry outlook

- Company's competitive advantage
- Company's vision, mission, values and organization structure

#### 4. Leadership

Triveni Turbine Board and its Management have established principles, framework and processes for risk management for the Company. Risk Management in TTL is driven through Risk Management Governance Structure as given below.



Figure 3. Risk Management Governance Structure at TTL

Appointment, composition, roles and responsibilities of Risk Management Committee (RMC) are explained in the table below.

Table 1. RMC Working Protocol, Roles & Responsibilities

Appointment	By the TTL Board of Directors during annual board meeting.
Typical Composition	As per Regulatory requirements. Chairperson: Vice Chairman & Managing Director (VCMD), Chief Risk Officer (CRO). Other members may include Chief Executive Officer & Executive Director (CEO & ED), Chief Financial Officer (CFO), and other invitees.
Meeting Frequency	Once every 6 months, with no more than 180 days apart
Quorum for the Meeting	Presided by the Chairperson and attended by at least two (2) members, including the independent director.
Additional Invitees	The Chairperson may invite any employee or outside legal and/or professional expert to seek necessary information pertaining to the roles and responsibilities of the RMC.
Record of Meetings	The Chief Risk Officer shall minute the proceedings and resolutions of all meetings of the RMC including recording the names of those present and in attendance. Minutes shall be approved by the Chairperson.

Roles & Responsibilities	<ul style="list-style-type: none"> <li>• Formulate the ERM Policy and review it on annual basis.</li> <li>• Monitor and oversee implementation of the ERM Policy.</li> <li>• Ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks.</li> <li>• Keep the board informed about the nature and content of its discussions, recommendations and actions.</li> <li>• Appointment, removal and terms of remuneration of the Chief Risk Officer (jointly with the Nomination and Remuneration Committee)</li> <li>• Coordinate its activities with the Audit Committee.</li> <li>• Review the ERM Policy periodically for adequacy and effectiveness, at least once in two years.</li> </ul>
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## 5. Planning

Following pre-conditions are ensured while implementing Risk Management process at Triveni Turbine.

- Risk management principles as mentioned in section 0.2
- Consideration of context as mentioned in section 2
- Other practices such as – avoiding use of mere ‘gut feeling’, avoiding ‘silo effect’ while managing risks, use of risk management to achieve full potential of opportunities, development of risk management competency, etc.

### 5.1. Objectives for Risk Management at TTL

The main goal of Risk Management Policy is to establish, implement and monitor systems and processes to manage all risks, in order to achieve or improve actual business performance vis-à-vis planned or budgeted projections. This can be broken down into two objectives:

1. Define, establish and implement the ERM Policy across Triveni Turbine, and
2. Monitor and review performance of business objectives against budgets, in order to identify impact of risks and improve effectiveness of risk management competence across Triveni Turbine.

While planning to achieve the targets, Management shall give consideration to resources required, responsibility, accountability and result evaluation.

### 5.2. Enterprise Risk Management Policy Statement

Triveni Turbine is committed to achieve its objectives and protect itself from effects of uncertainty and add value to its stakeholders with principles of –

1. Integration of risk management activities with strategy, governance and decision-making.
2. Customizing risk management processes to focus on most impactful risks.
3. Promoting risk-based thinking across the Company.
4. Tailoring its risk management activities to respond to the dynamic nature of the business and the environment in which it operates.
5. Working on best possible information available at the time of risk management.
6. Improving risk management process continually through learning and experience.

## 6. Support

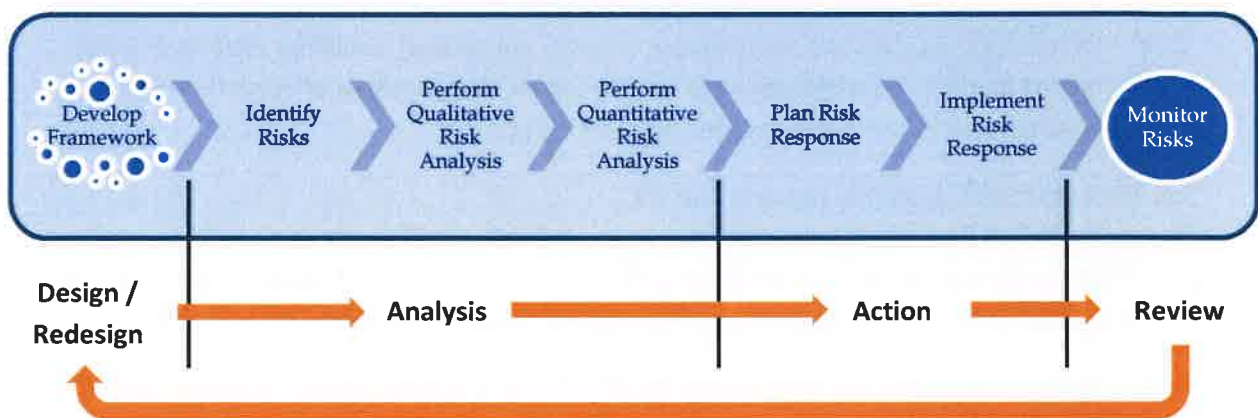
In order to effectively implement the Risk Management Policy, adequate resources are provided by Triveni Turbine; their roles, responsibilities and accountabilities defined; sufficient infrastructure support is provided; monitoring mechanism is established and competency of employees involved in risk management is improved continually.

## 7. Operation

### 7.1. General

Risk management process lies at the heart of this ERM Policy. This process is systematic application of the principles and framework outlined in the ERM Policy. It deals with activities of establishing context, assessing, treating, monitoring, recording and reporting risks. Figure 4 illustrates risk management process.

Figure 4. Risk Management Process



### 7.2. Business Continuity Plan

Business continuity plan guides the Company to respond to a disruption (e.g. pandemic, credit market crash, demonetization, tsunami affecting business partners, etc.) and resume, recover and restore delivery of products & services consistent with its objectives during such times.

Business continuity plan is a special type of risk response activated during incidents or conditions of disruptions that cause an unplanned, negative deviation from the expected delivery of products and services.

Business continuity plan, prepared to respond to any such disruption, shall include:

- Purpose, scope and objective
- Composition, roles and responsibilities of the team that will implement the plan
- Criteria to activate the team and process for standing down
- Actions to implement solutions
- Resource and reporting requirements

## **8. Performance Evaluation & Improvement**

Many different activities performed in the ordinary course of running a business serve to monitor the effectiveness of the Risk Management Policy implementation. These include day-to-day review of information in carrying out normal business activities.

Mechanisms that may be deployed by the Management Team and HODs to monitor and review risks are - internal audit reviews, separate evaluation or process audits, risk and control self-assessments, etc.

Improving risk management processes and systems of the Company is one of the principles followed at Triveni Turbine. This is done in two ways:

1. Learning and development of risk management competency among employees.
2. Learning from experiences of risk encountered and effectiveness of response actions taken against those risks.

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