RISK MANAGEMENT POLICY

The Policy is formulated in compliance with Regulation 17(9)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") and provisions of the Companies Act, 2013 ("the Act"), which requires the Company to lay down procedures about risk assessment and risk minimization.

Introduction

TCI recognizes risk management as an integral component of good corporate governance and fundamental in achieving its strategic and operational objectives. It improves decision-making, defines opportunities and mitigates material events that may impact shareholder value.

Scope of Policy

This policy contemplates to cover all locations/verticals and applies to all employees, whether full time, part time or casual at any level of seniority with in the business. The policy also applies to contractors and consultant working on behalf of TCI.

Definitions

This policy defines the following key terms:-

Risk is defined as the chance of a future event or situation happening that will have an impact upon company's objective favorably or unfavorably. It is measured in terms of consequences and likelihood.

Risk Capacity

Risk capacity shows how much risk the organization can absorb.

Risk Appetite

Risk appetite shows how much risk the management is willing to accept.

Risk Management encompasses risk assessment plus the evaluation of risks against established tolerances, their treatment and monitoring.

Risk categories

The risk management framework within TCI, groups the various risk facing the business into the following board risk categories:

- Corporate including financial, HR & IT ,
- Operational, and
- Sustainability (particularly ESG related risks),

For a company of repute and global standing TCI also faces a major risk of noncompliance of many statutory and other requirement especially since it has business in many states/countries each with their own different type of rules and regulations.

Risk Attributes-Their Measurement and Risk Score

All risks have two attributes, viz.

- Likelihood of risk occurrence.
- Risk impact

To facilitate understanding and decision making a risk score is used. By measuring the two risk attributes a risk score can be derived for that risk.

The measurement of the likelihood of risk is normally against three levels on a scale of 3, viz.

- Low (score 1)
- Medium (score 2)
- High (score 3)

Risk impact can also be against three levels on a scale of 3 viz.

- Low (score 1)
- Medium (score 2)
- High (score 3)

Risk Response

TCI recognizes that risk is an integral and unavoidable component of business and is committed to managing the risk in a proactive and effective manner.

The Company believes that the Risk cannot be eliminated. However, it can be:

- Transferred to another party, who is willing to take risk, say by buying an insurance policy;
- Treated by having good internal controls;
- Eliminated by terminating the activity itself; and
- Tolerated, to either avoid the cost of trying to reduce risk or in anticipation of higher profits by taking on more risk.

The risk management process entails:

- On a regular basis, identifying, analyzing, evaluating and confirming all risk for the business, including:
  - Assessing the impact of the risks of the business;
  - Assessing the likelihood of the risk occurring;
  - Calculating the risk rating as indicated by the likelihood and impact Matrix;

- Evaluating which risk needs treatment and the priority for treatment implementation based on risk materiality and the agreed risk appetite.

- Developing and maintaining a Risk Register by documentation all low, medium, and High risks which updated regularly.

- Developing an mitigation plan for the management of risks

- Ensuring formulation of appropriate risk management policies and procedures, their effective implementation and independent monitoring and reporting by Internal Audit.

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

- Chief Compliance officer of the company also plays a crucial role in development of overall control environment as he/she is primarily responsible for overseeing and managing compliance within an organization ensuring that the company and its employees are complying with regulatory requirement and internal policies & procedure. He has to provide reasonable assurance to Senior Management and the Board of Directors that there are effective and efficient policies and procedures in place, well understood and respected by all employees, and that the company is complying with all regulatory requirement. He must develop an annual compliance work plan that reflects TCI's highest risks that will be monitored by the compliance function as determined by conducting a mandatory annual risk assessment using an enterprise wide approach.

The combination of policies and process as outlined above adequately addresses the various risks associated with company's businesses. The senior management of the Company periodically reviews the risk management's framework so as to effectively address the emerging challenges in a dynamic business environment.

Risk Management Policy

Process owner (divisional heads/departmental heads) shall be responsible for implementation of the risk management system as may be applicable to their respective areas of functioning. However Head – Audit shall be the owner of the entire process of risk management and shall be responsible for all communication between management and board regarding risk identification, analyses, evaluation and mitigation plan.

The Risk management committee is ultimately responsible for identifying and assessing internal and external risk that may impact TCI in achieving its strategic objectives. The risk management committee is responsible for determining the company’s risk appetite, overseeing the development and implementation of the risk management framework, maintaining an adequate monitoring and reporting mechanism and business continuity plan.

The risk management committee is also responsible for reviewing and approving the risk management framework and risk appetite on an annual basis.

Management is responsible for ensuring that risk are identified, analyzed, evaluated and mitigated at regular interval. Management must develop a sustainable control environment to manage significant risks and champion the implementation of risk management processes within their business operations.

Management shall monitor and report on material risks identified through the internal and external Audit process.

The internal audit program must be aligned to the company’s risk profile and is responsible for providing independent assurance in relation to the effectiveness of processes to manage particular areas of risk. The scope of internal audit’s risk based program is agreed to as part of an annual plan which is refined as necessary.

Risk Monitoring and Reporting

Process owner shall:

- Review their risk registers on a regular basis and when an event occurs which changes the risk level of an identified risk or creates a new risk;
- Advice their immediate manager of any material changes to the level of an identified risk or if a new material risk arises; and
- Prepare mitigation plan to mitigate the risks and regularly update the same.