



**T. V. Today Network Limited**

**Risk Management Policy**

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## **RISK MANAGEMENT POLICY**

### **1. Introduction**

Companies have increased their focus on Risk Management System, pursuant to the Corporate Governance requirements. However, it is imperative that Risk Management in current scenario is a necessity to prepare the companies to respond effectively to uncertain events. Regulators have also considered the same and have made Board of Directors of the Company responsible to develop and implement a risk management system comprising a process for risk assessment and minimization procedures. The Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**"Listing Regulations"**) emphasize the requirement of Risk Management Policy for the Company.

Pursuant to the provisions of the Companies Act, 2013 (**"Act"**), a statement indicating development and implementation of a risk management policy for 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.

The Audit Committee is required to evaluate the internal financial controls and risk management systems of the Company and the Independent Directors shall satisfy themselves that the systems of risk management are robust and defensible.

According to Listing Regulations, the Company shall lay down procedures to inform Board members about the risk assessment and minimization procedures and the Board shall be responsible for framing, implementing and monitoring the risk management plan for the Company.

This policy is formulated in compliance with Regulation 17(9)(b) and Regulation 21 of Listing Regulations and 134(3)(n) of the Act read along with other applicable provisions which requires the Company to lay down procedures about risk assessment and risk minimization.

### **2. Objective**

The objective of this Risk Management Policy is to help the Company to put in place effective frameworks for taking informed decisions about risk. Risk management policy and processes will enable the Company to proactively manage uncertainty and changes in the internal and external environment to limit negative impacts and capitalize on opportunities.

The key areas to be addressed are:

- The requirements of **Corporate Governance** — these include more focused and open ways of managing risk. The need for a 'risk champion' at senior level, role for an activity (strategy, program or project) and the need for risk owners at everyday working levels as appropriate for the activity and risk exposure.

- Consideration of the **organizational capability** to successfully achieve the required outcome.
- The need for **improved reporting** and upward referral of major problems.
- The need for **shared understanding** of risk and its management at all levels in the organization with partners and key stakeholders, combined with consistent treatment of risk across the organization.

Further, the purpose to define the risk management policy is:

1. To establish a framework for the management of risks;
2. To increase overall awareness of risks throughout the Company;
3. To define functional and process ownership thus clearly defining risk management responsibility;
4. To enable managers and those responsible for risk reporting, to better identify, assess and manage risks within their areas;
5. To develop a process for risk documentation and communication;
6. To assure business growth and financial stability by appropriately managing the risks.

The policy is meant to ensure continuity of business and protection of interests of the stakeholders and thus covers all the activities within the company and events outside the company which have a bearing on the company's business. The policy shall operate in conjunction with other business and operating / administrative policies.

### 3. Risk Factors

A risk factor is any attribute or characteristic of any event / activity / environment, whether inside or outside the company, that increases the likelihood of occurrence of the risk. The objectives of the company are subject to the following risk factors:

External Risk Factor	Internal Risk Factor
Political Environment	Culture and Values
Competition	Compliance with Laws
Technology Obsolescence	Human Resource Management
Economic Environment and market conditions	Environmental Management
Inflation and cost structure	Contractual Compliance
Cyber Threats	Financial Reporting
	Cyber Threats

\*The risk factors outlined above are not exhaustive in nature and will continuously be updated in accordance with the framework outlined in the Policy.

#### 4. Importance of Risk Management

A certain amount of risk taking is inevitable if the organization is to achieve its objectives. Effective management of risk helps to manage innovation and improve performance by contributing to:

- Increased certainty and fewer surprises
- Better service delivery
- More effective management of change
- More efficient use of resources
- Better management at all levels through improved decision making

#### 5. Risk Management Procedures

For the implementation of Enterprise Risk Management ("ERM") in the Company and alignment to stated organizational objectives, enterprise level risks shall be identified in the following four categories:

1. **Strategic:** High-level goals, aligned with and supporting its mission;
2. **Markets & Reputation:** Brand image, Market presence etc.;
3. **Operational:** Efficient and effective use of its resources and processes;
4. **Regulatory:** Compliance with applicable government laws and regulations;

Financial reporting risks are covered under the Internal Financial Control (IFC) framework. Operational risks for different sub processes are defined in risk and control matrices, which are tested on an annual basis as per the requirement of Companies Act 2013. However, any operational risk with a significant impact at entity level may also get included in the ERM Framework defined.

The Company will lay down the detailed risk management procedures covering the following aspects:

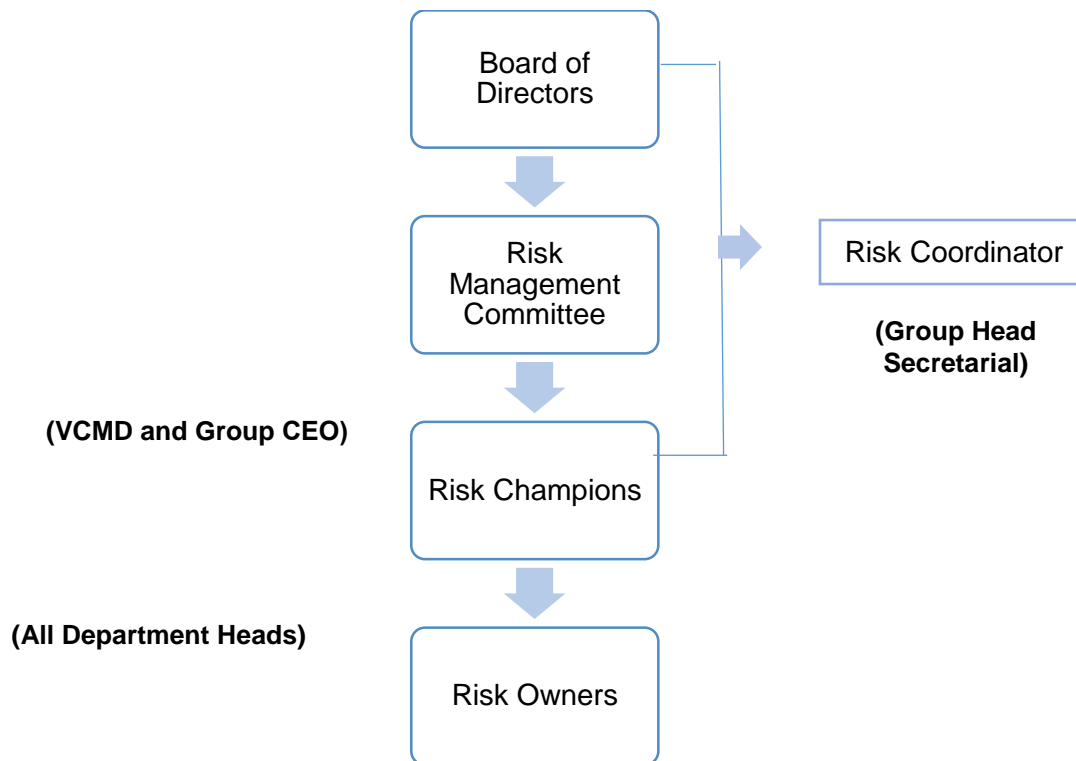
1. Risk identification – It includes:
  - i. Conducting risk interviews with top management and functional heads
  - ii. Identification of events that may have negative consequences
  - iii. Root cause analysis
2. Risk assessment (i.e. estimation) and risk analysis - It includes:
  - i. Assessment of likelihood of occurrence of risk and potential impact
  - ii. Risk appetite matrix
  - iii. Assessment of inherent risk
  - iv. Mapping of existing controls in place to arrive at residual risk
  - v. Identification of top risk by using risk reporting matrix
3. Risk treatment / mitigation (i.e. Risk strategy) – The risk mitigation can be planned using the following key strategies:
  - i. To terminate the activity
  - ii. To treat it by addressing the probability or impact
  - iii. To transfer it to party best placed to manage it
  - iv. To tolerate / accept the risk

#### 4. Risk - control and monitoring

- i. Risk Registers
- ii. Defining roles and responsibility
- iii. Involvement of higher management
- iv. Continuous process of risk identification and risk reporting

### 6. Risk Management Organization

Depending upon the nature and size of the business operations, the responsibilities of carrying out risk management procedure falls on the various stakeholders of the organization. As per the current business model of the Company, the risk organization structure will be as follows:



**Risk Management Organization**

## **7. Responsibilities of the Board of Directors**

The Board will undertake the following actions to ensure risk is managed appropriately:

- i. Review the risk management policy and systems from time to time.
- ii. Ensure that the appropriate systems for risk management are in place;
- iii. Participate in major decisions affecting the organization's risk profile;
- iv. Have an awareness of and continually monitor the management of strategic risks;
- v. Be satisfied that processes and controls are in place for managing significant risks;
- vi. Ensure risk management is integrated into board reporting and annual reporting mechanisms.

## **8. Risk Management Committee (RMC)**

The Risk Management Committee shall consist minimum 3 (three) members, majority of members shall be from Board of Directors with at least 1 (one) Independent Director along such employees as the Board may think fit.

Apart from the responsibilities enumerated under the provisions of Listing Regulations and the Act, the Risk Management Committee shall be responsible for the following:

- i. The Risk Management Committee shall be responsible for ensuring that the risk management policy is being followed and is effectively contributing to early identification of risks and proper mitigation process.
- ii. The RMC shall be apex body to approve risks, its mitigation plan and future course of action in this regard.
- iii. Risk Champions shall be accountable to the RMC for effective implementation of the Policy.
- iv. 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.
  - c. Business continuity plan.
- v. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- vi. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

- vii. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- viii. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- ix. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors. The RMC shall have powers to seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.

#### **9. Risk Co-ordinator**

- i. Head of the Secretarial Department of the Company will act as a Risk Co-ordinator.
- ii. Risk Coordinator will coordinate among members of Risk Management Organization and ensures that members of Risk Management Organization will meet at least twice in a year.
- iii. Risk Coordinator shall coordinate with Risk Champions and Risk Management Committee to circulate agenda for the meeting.
- iv. To devise and carryout independent self-review to ensure compliance with the risk management policy.

#### **10. Risk Champions**

- i. VCMD and Group Chief Executive Officer of the Company shall act as Risk Champions of Risk Management Committee.
- ii. The Risk Champions will report its findings / observations / suggestions to the Risk Management Committee for review.
- iii. Risk Champions will review the risk identified by Risk owners and present the same to Risk Management Committee.
- iv. Risk Champions will monitor and evaluate the mitigation plan for the risks identified in the risk register and place it for review of Risk Management Committee at its meeting.

#### **11. Risk Owners**

- i. All department heads of the Company will act as the Risk Owners of the risks related to his/her area.
- ii. The Risk Owner will be responsible for mitigation of risk of their respective areas.
- iii. Risk Owner shall present the new risks identified along with proposed mitigation plan to Risk Champions.
- iv. Risk Champions will act as Risk Owners of different strategic risks which are not covered under the scope of various Departmental Heads.



- v. Risk Owner will have responsibility of identifying future risk, evaluate the criticality of the risk and formulate the steps of mitigation.
- vi. Risk Owners will discuss all the new risks identified and mitigation plan to Risk Champions.

## **12. Compliance and control**

All the senior executives have the responsibility for over viewing management's processes and which shall result in identifying, assessing and monitoring risk associated with Organization's business operations and the implementation and maintenance of policies and control procedures to give adequate protection against key risk of the Company.

In carrying out the risk management processes, the senior executives of the Company shall consider and assess 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.

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

- Established corporate, 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.

## **13. Business Continuity Plan**

Business continuity plan refers to maintaining business functions or quickly resuming them in the event of a major disruption, whether caused by a fire, flood or any other act of god. A business continuity plan outlines procedures and instructions an organization must follow in the face of such disasters; it covers business processes, assets, human resources, business partners and more. Company shall define Business continuity plan for any contingent situation covering all perceivable circumstances. The Business continuity plan may be reviewed by the Risk Management Committee.

## **14. Review**

This Policy shall be reviewed by the Risk Management Committee at least once in two years or at such interval as it thinks fit. Amendments (if any) in the Policy shall be approved by the Board on the recommendation of Management Committee.

This Policy will be communicated to all vertical/functional heads and other concerned persons of the Company.

## **15. Amendment**

Any change in the Policy shall be approved by the Board of Directors or any of its Committees (as may be authorized by the Board of Directors in this regard). The Board of Directors or any of its authorized Committees 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 or its Committee in this respect shall be final and binding. Any subsequent amendment / modification in the Listing Regulations and / or any other laws in this regard shall automatically apply to this Policy.