



**DR. AGARWAL'S EYE HOSPITAL LIMITED**

**RISK MANAGEMENT POLICY**

**1. Introduction**

The Risk Management Policy is intended to enable Dr. Agarwal's Eye Hospital Limited ('AEHL' or the 'Company') to adopt a defined process for managing its risks on an ongoing basis. An important purpose of this document is to implement a structured and comprehensive risk management process, which establishes a common understanding, language and methodology for identifying, assessing, monitoring and reporting risks and which provides management and the Board with the assurance that key risks are being identified and managed.

This policy provides the overall framework for the Risk Management process of the Company and to identify actual and potential risks associated with all aspects of the Company's operation. To develop appropriate action plans to manage each risk with the aim of reducing the impact of the risk through minimization, avoidance and / or removal. To ensure a robust system is in place to report, monitor and review each risk through risk control and to enable compliance with appropriate regulations, wherever applicable, through the adoption of best practices

**2. Risk Management Policy**

This policy is intended to ensure that an effective risk management framework is established and implemented within the Company and to provide regular reports on the performance of that framework, including any exceptions, to the Board of Directors of the Company.

The management shall periodically assess the impact of changes in external and internal environment on the pertinence of this policy. And if the Board deems fit, it may approve necessary changes to this policy to align it with the prevailing business circumstances.

**3. Scope:**

The policy applies to all areas and activities of the Company and to all the employees of the Company.

**Requirement as per Companies Act, 2013**

**Responsibility of the Board:** As per Section 134 (n) of the Act, The Boards Report must include 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.

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DR. AGARWAL'S EYE HOSPITAL LIMITED

CIN: L85110TN1994PLC027366

Registered Office: 3<sup>rd</sup> Floor, Buhari Towers, No.4, Moores Road Off Greams Road Chennai TN 600 006

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**Responsibility of the Audit Committee:** As per Section 177 (4)(vii) of the Act, the Audit Committee shall act in accordance with the terms of reference specified in writing by the Board which shall, inter alia, include evaluation of internal financial controls and risk management systems.

**Responsibility of the Independent Directors:** As per Schedule IV [Part II-(4)] of the Act, Independent directors should satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible.

**Risk Management policy:**

The Company is committed to high standards of business conduct and good risk management to:

- (i) Protect the company's assets;
- (ii) Achieve sustainable business growth;
- (iii) Take risk adjusted business decisions; and
- (iv) Ensure compliance with applicable legal and regulatory requirements

**Definitions**

Risk is a direct or indirect loss resulting from inadequate or failed internal processes, people and systems, or from external events. It also can be defined as an anticipated event or action that has a chance of occurring, which may result in a negative impact. Risk may also be defined as any threat that can potentially prevent the Company from meeting its objectives.

**Risk Analysis**

The process of determining how often specified events may occur (likelihood) and the magnitude of their consequences (impact).

**Risk Evaluation**

The process used to determine Risk Management priorities by comparing the level of risk against predetermined standards, target risk levels or other criteria, to generate a prioritized list of risk for further monitoring and mitigation. Risk assessment is the combined process of Risk Analysis and Risk Evaluation.

**Risk Evaluation Process**

SI No.	Operational Components	Financial Components	Knowledge Risk
1.	OP Revenue	Payroll & Employee Benefits	Protection of knowledge and confidential information
2.	Doctor & Referral Fees	Fixed Assets	Protection of Intellectual Property Rights
3.	Pharmacy Operations	Borrowings & Finance Costs	
4.	Lab Operations	Cash and Bank Operations	
5.	Optical Operation	Business Promotion Expenses	
6.		Rent, Travel and Fuel	

**Implementation:**

Heads of each department will be responsible for testing the effectiveness of internal control, identifying and managing key operational risks associated with activities and practices within their service.

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Risk assessment and management procedures are standardized and training shall be provided for the employees to ensure the risk assessment and management procedures are disseminated, discussed and applied consistently through incident reports, completion of action plans, feedbacks.

Any risk identified must be assessed to identify the likely consequences for the patients, employees, visitors and the Company at large.

The Board and Audit Committee shall oversee the Risk Management Framework and approve the risk Metrics.

**Responsibilities, Powers, Authorities and Discretion:**

The Board shall have the following responsibilities, powers and authorities:

- (i) The Board to satisfy itself, that processes and controls are in place for managing risks
- (ii) To obtain any external advice from third parties with relevant experience and expertise, if it considers necessary.
- (iii) The Board shall be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any external risk management consultant.

**Review of the Policy:**

The Board and the Audit Committee shall review this Policy on a regular basis to ensure its effectiveness and also compliance with the Companies Act, 2013s and applicable rules.

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