

**RISK MANAGEMENT POLICY
OF
BAWEJA STUDIOS LIMITED**

(CIN: U92112MH2001PLC131253)

Registered Office: C-65, Aashirwad, Lokhandwala Complex, Andheri (West), Mumbai-400053.

Risk Management Policy

1. INTRODUCTION:

This Risk Management Policy forms part of Baweja Studios Limited's ("BSL") governance and control arrangements.

Risk management is not an isolated activity. It is one element together with planning, project and performance management of effective governance and management. The focus is on those risks that could disrupt the achievement of BSL's strategy.

The purpose of this policy and the supporting guidance is to establish BSL's underlying approach to risk management by clarifying the roles and responsibilities of the Board of Directors, the Audit Committee, Senior Management and other staff. It also describes the context for risk management as part of the overall system of internal controls and arrangements for periodic review. It aims to support those staff with particular involvement in anticipating, assessing and managing risks so that they can take timely and well-founded risk-informed decisions.

2. DEFINITIONS:

A risk is commonly defined as an effect of uncertainty on the achievement of objectives. In other words, risks are various events that can affect the achievement of objectives. Risk can have both negative and positive outcomes. Our aim is to manage the adverse effects and turn the risk into value.

Risks are an everyday part of our activities. The realisation of our mission and strategy depends on our ability to recognise risks and to define suitable measures for their treatment. Effective risk management is about effective decision-making, not compliance. It is not limited to the identification and mitigation of negative risks, but also enables opportunities to be recognised that may involve some level of risk where they also have the potential to lead to positive outcomes, supporting the overall strategy.

Risk management refers to all activities performed by BSL to anticipate, identify, assess and control the uncertainties which may impact on BSL's ability to achieve its aims, objectives and opportunities. These will range from organisation-wide to specific projects or programmes, to the individual.

The risk management policy aims to demonstrate that BSL is acting appropriately to anticipate risks; to assess risks; to avoid excessive risk; to embrace necessary or desirable risks with appropriate safeguards; that its response to risk, whether by insurance, control measures or avoidance, is proportionate and effective; that responsible staff are equipped to take risk-based decisions with confidence; and that we are intelligent in applying our risk appetite.

3. THE POLICY STATEMENT:

The BSL recognises that it has a responsibility to manage risks effectively in order to control its assets and liabilities, protect its employees and community against potential losses, minimise uncertainty in achieving its goals and objectives and maximise the opportunities to achieve its vision.

The BSL is aware that some risks can never be eliminated fully and it has in place a strategy that provides a structured, systematic and focused approach to managing risk.

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Risk management is an integral part of the BSL's corporate governance arrangements and has been built into the management processes as part of the Authority's overall framework to deliver continuous improvement.

4. PRINCIPLES AND GOVERNANCE:

Our risk management approach will reflect the following principles:

- Addressing both value protection and value creation;
- Ensuring that roles and responsibilities are explicit and clear;
- Ensuring that the process for managing risk is fit for purpose;
- Establishing legal compliance as a minimum standard.

And will be embedded in our governance structures as follows:

- As the principal executive and policy-making body of BSL, the Board of Directors is responsible for the risk management policy and for assuring itself of the policy's implementation.
- The Board is also responsible for defining our risk appetite and risk tolerance, ensuring that a sound system of internal control is in place that supports the achievement of policies, aims and objectives while safeguarding the public and other funds and assets for which it is responsible.

5. RISK MANAGEMENT OBJECTIVES:

BSL's objectives in relation to risk management are to:

- Develop an appropriate risk appetite.
- Adopt good practice in the anticipation, timely identification, evaluation and cost-effective control of risk in carrying out both normal and extraordinary business activities.
- Ensure that adverse risks are either avoided, reduced to an acceptable level, or managed and contained; and to do so in good time and on a continuous basis.
- Support individual members of staff and teams to take appropriate risk-based decisions, encouraging responsible intellectual risk-taking, informed by an understanding of risk and reward and supported by senior colleagues where necessary.
- Ensure business continuity wherever possible and respond effectively when this is threatened.
- Enable a robust audit trail to demonstrate that we are capable of managing risk.
- Focus risk assessment and management on the highest level of threats to our ability to achieve our strategic objectives; and opportunities to promote them.
- Assure funders/investors that there is a robust approach in place to assess and manage risk.

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6. ASSESSING RISKS:

Effective risk management requires risks to be anticipated, identified and assessed regularly, and actions are taken to manage the risks, whether these are positive or negative. To support risk assessment and actions to be identified, BSL will develop documentation about each project/programme specifying the country of operation, partner exposure, any key risks (e.g. foreign exchange). It will also develop training and communications tools to support project managers to manage risk. Details of BSL's approach to assessing risks are set out in the Appendix.

7. RISK MANAGEMENT FRAMEWORK:

Our approach to risk management reflects sector guidance and aims to clearly locate responsibility for identifying and managing different levels and types of risk in a structured way.

In each case, the "owner" of the risk should have in place early warning mechanisms to alert BSL so that remedial action can be taken to manage any potential hazards.

8. MANAGING RISKS:

Risks regarded as high or very high in impact and probability should be identified in advance and a decision taken about whether to continue with the activity and if so, how to manage it to either realise the potential benefits or avoid the potential downsides. Risks change and evolve as projects develop, before bidding and throughout their funded life. Different risks will be managed with a particular focus. Some will be addressed through routine management, supported by BSL's systems, procedures and policies.

9. MONITORING AND LEARNING:

We will monitor the risks on the Strategic Risk Register, especially those with a "High" risk score. Clusters/units and departments will be asked to review the operational risks captured in their Registers termly. The Strategic Risk List is kept under review by the Audit Committee, which meets regularly. It is reported to the Board.

We will learn from our experience of risk management and seek to share issues and ideas with staff to enable them to work effectively in a risk-based manner. This will include learning from those risks that we take on knowingly, where we believe that we could secure significant benefits if the risks are handled responsibly.

10. ROLES AND RESPONSIBILITIES:

Generally every staff member of the Organisation is responsible for the effective management of risk including the identification of potential risks. The Head of Departments and other Senior Management Persons in the Company at organizational levels under the guidance of the Board of directors are responsible for the development of risk mitigation plans and the implementation of risk reduction strategies. Risk management processes should be integrated with other planning processes and management activities.

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11. PERIODIC REVIEW:

The Board will periodically review its risk appetite and risk tolerance.

The Board will also periodically review the effectiveness of the internal control system and in doing so will:

- Review the previous year and examine the Institute's track record on risk management;
- Consider whether BSL has made the right decisions on risks that are value enhancing and value protecting;
- Consider the internal and external risk profiles of the coming year;
- Consider whether the current internal control arrangements are likely to be effective.

As part of its review, the Board will consider:

- BSL's objectives and its financial and non-financial targets;
- BSL's strategic ambitions and progress towards them;
- The management approach to risk;
- The appropriateness of the level of delegation of authority;
- Public reporting;
- Prioritisation of risks;
- Timely identification and assessment of risks;
- The ability of BSL to learn from its problems and apply its learning.

12. DISSEMINATION OF POLICY:

The Risk Management Policy shall be disclosed as per the provisions of laws in force.