



RISK MANAGEMENT POLICY

**CENTRAL MINE PLANNING & DESIGN INSTITUTE LIMITED
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1. APPROVAL

This Risk Management Policy of CMPDIL has been approved by the CMPDIL Board as agenda Item No 210.4(C) held on 01/02/2018 at New Delhi.

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3. DEFINITIONS AND ABBREVIATIONS

For the purpose of this documented information, the abbreviations commonly used in the context of risk management and those related to CMPDIL are defined. The information given below is arranged alphabetically.

TERM/ACRONYM	DEFINITION/MEANING
CMPDIL	Central Mine Planning & Design Institute Limited, the organization, with its Headquarters at Ranchi and its seven Regional Institutes.
Consequence	Outcome of an event affecting objectives.
CRO	Chief Risk Officer is a representative of CMPDIL who is nominated by the Risk Management Committee of CMPDIL and is responsible for implementation of the Risk Management Framework across the Company.
Enterprise Risk Management (ERM)	It is a plan-based business strategy that aims to identify, assess and prepare for any dangers, hazards and other potentials for disaster that may interfere with an organization's operations and objectives. It extends to cover risk strategy, culture, capability and governance.
Establishing the Context	Defining the external and internal parameters to be taken into account when managing risk and setting the scope and risk criteria for the risk management policy.
Likelihood	Chance of something happening.
Residual Risk	Risk remaining after risk treatment.
Risk	The effect of uncertainty on objectives. An effect is a deviation from the expected — positive and/or negative. Risk is often expressed in terms of a combination of the consequences of an event and the associated likelihood of occurrence.
Risk Assessment	The overall process of identifying all the risks to and from an activity and assessing the potential likelihood and impact of each risk. The complete process of risk identification, risk analysis and risk evaluation.
Risk Criteria	Terms of reference against which the significance of a risk is evaluated.
Risk Evaluation	Process of comparing the results of risk analysis with risk criteria to determine whether the risk and/or its magnitude is acceptable or tolerable.
Risk Governance	It describes the overall management approach through which senior executives direct and control the entire organization, using a combination of management information and hierarchical management control structures. This includes the overall corporate governance structure which highlights roles and responsibilities, reporting (direct, functional or informational) relationships.
Risk Identification	Process of finding, recognizing and describing risks.
Risk Management Committee (RMC)	It is a subcommittee of CMPDIL Board who is responsible for the overall Risk Management Framework of CMPDIL.
Risk Management Process	Systematic application of management policies, procedures and practices to the activities of communicating, consulting, establishing the context, and identifying, analyzing, evaluating, treating, monitoring and reviewing risk.
Risk Mitigation	Systematic reduction in the extent of exposure to a risk and/or the likelihood of its occurrence.
Risk Monitoring	Activity that involves reviewing, evaluating and reporting on the status of the risks.
Risk Owner	Person or entity with the accountability and authority to manage a risk.
Risk Sub Committee (RSC)	The committee under the CRO. The CRO is responsible for initiating and coordinating activities for operationalizing the Risk Management Framework.
Risk Universe	Consists of all risks applicable to the company which include risks from a strategic, operational, financial and compliance perspective.
Risks That Matter (RTM)	The significant risks arrived at by considering the impact and likelihood of each risk and based on the risk criteria.

4. INTRODUCTION

4.1 CENTRAL MINE PLANNING & DESIGN INSTITUTE LIMITED – COMPANY PROFILE

Central Mine Planning & Design Institute Ltd. (CMPDIL) is a Government of India enterprise having its corporate headquarters at Ranchi in India. It is a fully owned subsidiary of Coal India Limited (CIL). It is a Mini Ratna company since May 2009. Approved by Government of India in December 1973, it attained the status of a deemed public limited company under the holding of CIL in November 1975. The CEO of CMPDIL is its Chairman-cum-Managing Director. Under his chairmanship, a Board of Directors governs the company.

CMPDIL carries out its business through its corporate headquarters at Ranchi and its seven Regional Institutes (RIs) at Asansol, Dhanbad, Ranchi, Nagpur, Bilaspur, Singrauli and Bhubaneswar which provide in-house planning and execution support to the respective seven coal producing subsidiaries of CIL. CMPDIL also provides consultancy and support services to non CIL customers.

It is in the business of consultancy and support for mineral exploration, mining, infrastructure engineering, environmental management and management systems, especially to the mineral, mining and allied sectors. The services of CMPDIL fall under the following two broad heads -

(A) CMPDIL's Business Functions: The consultancy and support, tests and analysis, operations, data processing, installation/construction, training, etc. in the fields of mineral exploration, mining, infrastructure engineering, environmental management and management systems, especially for the mineral, mining and allied sectors, both within and outside coal industry and the country and abroad.

(B) CMPDIL's Corporate Responsibilities:

1. Assisting Ministry of Coal (MoC) and Planning Commission, Government of India for strategic decisions relating to coal-sector at the national level.
2. Functioning as a nodal agency on behalf of Government of India, e.g., for schemes funded by MoC, exploration work in non-CIL blocks, Environmental Measures and Subsidence Control (EMSC) projects, and Coal Bed Methane clearing house; and for projects funded by CIL R&D Board.
3. Liaison between MoC, CIL, and sister coal producing companies on technical and operational matters.

The details of the technical services offered by CMPDIL are given in the web page: <http://www.cmpdi.co.in/services.php>.

4.2 OBJECTIVES & NEED FOR RISK MANAGEMENT

Risk analysis and management is a key management practice to ensure that the least number of surprises occur while executing our business. While we can never predict the future with certainty, we can apply a simple and streamlined risk management process to predict these uncertainties and minimize the occurrence or impact of these uncertainties.

CMPDIL aims to achieve the best practices in the management of risks that threaten to adversely impact its objectives, operations, functions, assets, etc.

This Risk Management Policy has been created in furtherance of our commitment to build a strong risk management culture within CMPDIL and is a statement of the overall intentions and direction related to risk management. The objectives of risk management at CMPDIL are to:

- * Better understanding of the risk profile of the company;
- * Better management of the uncertainties which impact the organisation's performance;
- * Contribute to safeguarding the company value and varied interest of stakeholders;
- * Ensure that sound business opportunities are identified and pursued without exposing the business to an unacceptable level of risk; and
- * Improve compliance with good corporate governance guidelines and practices as well as laws & regulations.

The following portions of The Company's Act 2013 and Clause 49 of the Listing Agreement of Securities and Exchange Board of India (SEBI) necessitates the implementation of a Risk Management System in CMPDIL:

Under Section 134 (3)(n) (Report by Board of Directors) of The Company's Act 2013 "..... will include - (n) a statement indicating the development and implementation of a Risk Management Policy for the Company including identification therein of the various elements of risk, if any, which in the opinion of the Board may threaten the existence of the Company".

Under Section 177 of The Company's Act 2013: "..... Evaluation of "Internal financial controls" and "Risk Management Systems" of the Company".

Clause 49 of the Listing Agreement of Securities and Exchange Board of India (SEBI): Circular No: CIR/CFD/ POLICY CELL/2/2014 dated 17/04/2014:

"VI Risk Management

- A. The company shall lay down procedures to inform Board members about the risk assessment and minimization procedures.
- B. The Board shall be responsible for framing, implementing and monitoring the risk management plan for the company.
- C. The company shall also constitute a Risk Management Committee. The Board shall define the roles and responsibilities of the Risk Management Committee and may delegate monitoring and reviewing of the risk management plan to the committee and such other functions as it may deem fit".

This Clause was further **amended vide Circular No CIR/CFD/POLICY CELL/7/2014 dtd 15/09/2014:**

"The clause 49(VI)(C) shall be substituted with the following:

The company through its Board of Directors shall constitute a Risk Management Committee. The Board shall define the roles and responsibilities of the RMC and may delegate monitoring and reviewing of the risk management plan to the committee and such other functions as it may deem fit.

The following clauses shall be inserted after Clause 49(VI)(C):

- D. The majority of Committee shall consist of members of the Board of Directors.
- E. Senior executives of the company may be members of the Committee, but the Chairman of the Committee shall be a member of the Board of Directors".

5. RISK MANAGEMENT FRAMEWORK

The success of any risk management system depends on the effectiveness of the management framework providing the foundations and arrangements that assist in managing risks effectively. This framework outlines the series of activities and their enablers that we expect an organization to utilize in assessing, identifying, prioritizing, mitigating and monitoring of the organization's risks. The Risk Management Framework at CMPDIL comprises essentially of the following 2 elements:

- Risk Management process that helps identify, prioritize and manage risks in the Company; and
- Risk Management structure i.e. the roles and responsibilities for implementing the risk management program.

Risk Management Process

Whether risks are external/internal to the Company, or can/cannot be directly managed, they are addressed by a common set of processes through the Risk Management Process. This process is scheduled to be performed annually, or whenever any significant changes in business environment, or after a non-routine event such as acquisition, new business, etc. The following stages are involved in the Risk Management Process:

Establish the context is focused on identifying the goals and objectives of the company. Risks are identified and prioritized in the context of these goals and objectives. The criteria for assessing the risks are also established.

Assess (identify and prioritize) risks which comprises of **identification** of relevant risks that can adversely affect the achievement of the objectives and **prioritizing** each risk to arrive at the Risks That Matter (RTM), considering the potential impact and likelihood of occurrence of the risk.

Risk Mitigation involves implementation of activities that help manage risks to an acceptable level. It involves assessment of the existing competency of management processes to mitigate risks. For the Risks that Matter (RTM), it is expected to formally define risk ownership, mitigation activities, responsibilities and milestones.

Risk Monitoring and Reporting: A formal process to update the Board of Directors and the Risk Mitigation Committee (RMC) on the risk profile and effectiveness of implementation of mitigation plans.

Risk Management Structure

The Board of Directors has the responsibility to oversee that the Company has put in place a suitable Risk Management Framework and that this is effectively deployed. The Board delegates the task of overseeing the deployment of the Risk Management Framework to the RMC. On an annual basis, a formal report on Risks That Matter is submitted to the Board of Directors by RMC for their review.

The Risk Management Committee (RMC) is a sub-committee of the CMPDIL Board and is responsible for the effective roll out of the Risk Management Framework. The key responsibilities of the RMC are - risk identification and prioritization, review the mitigation plans and achievements as reported by GM/Functional HODs, provide direction and evaluate the operation of the risk management program; review quarterly and annual risk assessments, review and provide independent assurance on overall effectiveness and efficiency of the risk management process.

The Chief Risk Officer (CRO) is primarily for initiating and coordinating activities for operationalizing the Risk Management Framework, reporting directly to the Chairman of the RMC. CRO will have his own team consisting of persons from important functionaries within the organization. The role of the CRO and designated officers is as follows - initiate and coordinate the annual risk identification and prioritization exercise, initiate and coordinate the annual mitigation exercise with the Risk Owners and the Functional HODs/GMs and compile risk assessment results across functions and submit these for review by the RMC and put up for Board of Directors.

6. RISK MANAGEMENT PROCEDURE

For the purpose of assessment of risks of CMPDIL, two types of activities have been identified -

1. **Routine Activities:** All activities that are performed in the normal course of business are routine activities. These activities are carried out on a day to day basis and are part of "Business as usual".
2. **Non - routine activities:** These activities are not carried out during the regular course of business. These include mergers and acquisitions, entering into new geographical locations, capital expansion, directions from the Government, joint venture/amalgamation etc.

While the underlying principles remain similar for these two sets of activities, for the purpose of this Risk Management Policy, CMPDIL has defined this distinct set of procedures for Risk Management for routine activities only.

Risk Management for "routine activities"

A. Establishing the context

While making the assessment of risks for CMPDIL, all the external and internal issues are taken into account. The external issues relate to the external environment in which CMPDIL seeks to achieve its objectives. Understanding these are important in order to ensure that the objectives and concerns of external stakeholders are considered when developing risk criteria. The internal issues relate to the internal environment in which CMPDIL seeks to achieve its objectives. The risk management process should be aligned with the organization's culture, processes, structure and strategy.

Considering these issues as well as the objectives of the organization, the scope and the risk criteria for the remaining processes are established. The details of these processes are given in the following sections.

B. Assessment of the Risks

Risk assessment is the overall process of risk identification, analysis and risk evaluation or prioritization. CMPDIL shall perform an annual risk assessment as laid down in this Policy. CMPDIL has defined criteria to be used to evaluate the significance of risk, reflecting the organization's values, objectives and resources. These risk criteria are consistent with CMPDIL's commitment to implement a sound and stable Risk Management Framework and continually review the processes and the risks.

Based on these criteria and once the risks are prioritized, a risk competency scan is performed to identify existing management strategies to address the key risks which are referred to as Risks That Matter (RTMs). Improvement opportunities to enhance risk mitigation are also identified. The sum total of the existing management strategies and improvement opportunities is documented as a formal risk management plan for the RTM. A result of this exercise (prioritized risks and their mitigation strategies) is presented to the RMC for its consideration and review. The top RTMs along with the mitigation plans as agreed by RMC shall be presented and put up for consideration by the Board of Directors.

Risk identification

With an aim to generate a comprehensive list of risks based on those events that might create, enhance, prevent, degrade, accelerate or delay the achievement of objectives, any organization should identify sources of risk, areas of impacts, events and their causes and their potential consequences. Equally important is the identification the risks associated with not pursuing an opportunity. Identification should include risks whether or not their source is under the control of the organization, even though the risk source or cause may not be evident. As well as identifying what might happen, it is necessary to consider possible causes and what consequences can occur. All significant causes and consequences should be considered.

Risk analysis and evaluation/prioritization

Risk analysis involves consideration of the causes and sources of risk, their positive and negative consequences, and the likelihood that those consequences can occur. Risk is analyzed by determining consequences or impact and their likelihood or probability. The way in which consequences/impacts and likelihood/probability are expressed and the way in which they are combined to determine a level of risk

should reflect the type of risk, the information available and the purpose for which the risk assessment output is to be used.

Existing risk libraries and management reports serve as a baseline for this exercise. This risk profile/library is revisited on an annual basis by the RMC to identify any new risk event that can adversely impact business objectives.

There is a two-tier Risk Assessment process adopted by CMPDIL for implementing its Enterprise Risk Framework.

Risk Assessment by the GM/HODs of departments/functions & Regional Directors of Regional Institutes:

GM/HODs of the all departments arrange a meeting with all his officers every half yearly and identifies risks pertaining to their Department. As a guide, the Record Format 1 at Annexure A is to be used for the risk assessment process.

Regional Directors of all Regional Institutes arrange a meeting with all officers every half yearly and identifies risks pertaining to their Regional Institutes as well as the probable risks of their concerned subsidiaries. As a guide, the Record Format 1 at Annexure A is to be used for the risk assessment process.

The risks can be categorized as – Strategic, Operational, Financial, Compliance, Support system and Project. The risk title and statement are then mentioned.

The Impact score and the Probability score are allocated considering the external and internal issues, the requirements of stakeholders, objectives and targets, etc. of their department, based on the criteria given below. These scores for impact and likelihood are purely based on the perception and judgement of the respective GM/HODs and the RDs, keeping in mind the past events and the current regulatory and external environment.

Criteria for Probability/likelihood score:

SCORE	DESCRIPTION	REMARKS
5	Expected/ Almost certain	Very high, will be almost a routine failure every month or quarter within the next 12 months.
4	Likely	High, may arise several times within the next 12 months.
3	Possible	Possible, may arise once or twice within the next 12 months.
2	Unlikely	May occur once or twice between 2 to 3 years from now.
1	Rare	Not likely, almost impossible to occur between 2 to 3 years from now.

Criteria for Impact/consequence score:

SCORE	DESCRIPTION	REMARKS
5	Severe	Loss of market share and long-term competitiveness; impact on interest of stakeholders.
4	Material	Liabilities of Directors due to noncompliance of law/regulations leading to severe penal actions.
3	Important	Impact on operations, such as loss of business continuity, breakdown of the IT system, disasters leading to regulatory/legal intervention, etc.
2	Moderate	Impact on human resources such as loss of key personnel, sustained employee dissatisfaction, increased attrition, etc.
1	Minor	Reputational impact such as negative attention/action from Govt. agencies or subsidiaries or stakeholders. Negative comments in the social media, etc.

The Risk score will be obtained by multiplying impact score with probability score.

GM/HODs and the RDs communicate this risk exercise, **highlighting the top two risks** according to the highest scores to the concerned Director(Technical) in the same Record Format 1.

These activities have to be completed by 31st March of the previous financial year.

Risk Assessment by the respective Directors:

D(T), or the person authorized by him, compiles only the two highest score risks received from the departments. The same risk assessment process is followed in Record Format 1 by considering the external and internal issues, the requirements of stakeholders, objectives and targets, etc. in the Company's perspective. Similar exercise is done to calculate the Risk scores of each risk.

Risk Assessment (Identification & Prioritization) for CMPDIL:

The score for each of the risks obtained after evaluation by the respective Directors is now tabulated as in Record Format 2 of Annexure 1.

The final risk score of each of these risks is obtained by adding the risk scores of the respective departmental GM and RD of Regional Institute and of the Director, with a weightage of 40% for Departmental/RI Risk Score and 60% for Director's assessment of the risk score. The final risk score for each risk of CMPDIL is then calculated by adding the two risks in the above proportion. The risks are then ranked according to their score. The criteria given below are the scores that are to be used for evaluating the risks and setting the priority or finding the Risk that Matter (RTM).

Criteria for risk rating:

Probability/ Likelihood	11	16	23	24	25	19 - 25	High
Likely	9	10	15	21	22	13 - 18	Major
Possible	5	8	14	19	20	7 - 12	Moderate
Unlikely	3	4	7	13	18	1 - 6	Low
Rare	1	2	6	12	17		
	Minor	Moderate	Important	Material	Severe		

Impact/Consequence

The company performs an inherent risk assessment i.e. the impact and likelihood of occurrence is evaluated on the assumption that controls are not in existence. The CRO facilitates prioritization of risks using the risk prioritization criteria as given above. The results of the annual risk prioritization are subject to review, change and approval by the RMC. While a formal mitigation strategy is prepared and reviewed for RTMs, it is recommended that a similar framework be deployed by relevant Functional Heads and designated team for other risks.

C. Risk Mitigation

Risk treatment involves selecting one or more options for modifying risks and implementing those options. Once implemented, treatments provide or modify the controls. Risk treatment or mitigation should be a cyclical process of:

- assessing a risk treatment;
- deciding whether residual risk levels are tolerable;
- if not tolerable, generating a new risk treatment; and
- assessing the effectiveness of that treatment.

Risk treatment options are not necessarily mutually exclusive or appropriate in all circumstances. The options can include the following:

- a) avoiding the risk by deciding not to start or continue with the activity that gives rise to the risk;
- b) taking or increasing the risk in order to pursue an opportunity;
- c) removing the risk source;
- d) changing the likelihood;
- e) changing the consequences;
- f) sharing the risk with another party or parties (including contracts and risk financing); and
- g) retaining the risk by informed decision.

The process of identifying and preparing the risk mitigation plan for addressing the Risks that Matter (RTM) shall be done by the designated Risk Owner of the department half yearly and approved by the HOD/GM of the department and RD for the Regional Institute. HOD/GM and RD for the Regional Institute of the concerned department/RI has the responsibility for the quality and completeness of the mitigation plans. The Risk Owner and Mitigation Owner will be nominated for RTM/s by respective HOD/GM and RD for the Regional Institute.

For all the Risks that Matter (RTM) of CMPDIL, the mitigation plans are to be compiled by the CRO who will also facilitate the Risk Owner for the documentation of the mitigation plans. All mitigation plans are submitted to the RMC for review and approval and subsequently presented to Risk Management Committee for consideration.

After the application of the controls as laid down in the mitigation plans for the Risks that Matter (RTM), the risk score should be brought down to the acceptable limit of 12 in the above referred criteria. However, these risks are to be retained in the Risk Library and annual review of their risk scores have to be done to reassess their significance.

D. Risk monitoring and reporting

The objective in this sub section would be to evaluate the effectiveness of the implementation of the risk mitigation plans and reporting the status of each RTMs. Both monitoring and review should be a planned part of the risk management process and are to be done annually. Responsibilities for monitoring and review and its documentation lies with the Risk Owner. For all the RTMs, these are compiled by the CRO who prepares a Risk Reporting pack and submits it to the RMC for review and approval. Monitoring this Risk Reporting pack shall also be done annually by the Board of Directors.

The organization's monitoring and review processes should encompass all aspects of the risk management process for the purposes of:

- a) ensuring that controls are effective and efficient in both design and operation;
- b) obtaining further information to improve risk assessment;
- c) analyzing and learning lessons from events, changes, trends, successes and failures;
- d) detecting changes in the external and internal context, including changes to risk criteria and the risk itself which may require revision of risk treatments and priorities; and
- e) identifying new emerging risks.

Progress in implementing risk treatment plans provides a performance measure. The results of monitoring and review should be recorded and reported quarterly, or as and when required which may also be used as an input to the review of the RMC.

Timelines for various activities of Risk Management:

Risk assessment by GM/HODs: To be done half yearly.

Risk assessment by Directors: To be done half yearly.

Risk prioritization and identifying the Risks That Matter by CRO & review by RMC: To be done half yearly.

Preparation of Risk Mitigation Plan by Risk Owner and approval by concerned GM/HOD: Round the year.

Concurrent Risk mitigation: Round the year.

Review by RMC: To be done quarterly or as and when required.

Review and consideration by CMPDIL Board, if recommended by RMC (Board level): As and when required.

7. RISK MANAGEMENT STRUCTURE

The Risk Management Structure of CMPDIL shall comprise of the following:

- A. Board of Directors (BoD)**
- B. Risk Management Committee (RMC)**
- C. Chief Risk Officer (CRO)**
- D. HODs/Area GMs - Risk Owners & Mitigation Owner**

A. Board of Directors

The Board of Directors has the responsibility for overseeing that CMPDIL has put in place a suitable framework for managing risks and that this framework has been effectively deployed at all levels. The Board of Directors has delegated the task of overseeing the deployment of the Risk Management framework to the RMC. On an annual basis, a formal report on Risks That Matter shall be submitted to the Board of Directors.

B. Risk Management Committee (RMC)

The Risk Management Committee is responsible for ensuring the effective roll out of the risk management program. The RMC is a Board Sub-committee of CMPDIL and will comprise of only Board members. The Chairman of the RMC shall be a member of the Board of Directors and report directly to the Board. The role of the RMC is as follows:

1. *Risk identification and prioritization* - Review and sign off on the results of annual risk identification and prioritization.
2. *Risk mitigation* - Review the mitigation plans developed along-with the root-causes, ownerships, timelines.
3. *Risk monitoring and reporting* - Review results of Risk Management Framework as reported by the HOD/GMs through CRO.
4. *In view of the Risk Management Framework* -
 - a) Provide overall guidance related to the Risk Management processes across the company;
 - b) Review compliance with the processes and timelines as laid out in the Risk Management Activity Calendar;
 - c) Review the performance of the CRO;
 - d) Provide inputs to the CRO and his team on the risks to be considered in the annual Internal Audit plan;
 - e) Provide an annual summary to the Board of Directors on the efficacy of the Risk Management Framework of CMPDIL.
5. *Review the Risk Management Policy*.

C. Chief Risk Officer (CRO)

The Chief Risk Officer is primarily responsible for implementing the Risk Management Framework in his organization. The CRO shall be an officer at least of the rank of GM and will be nominated by the RMC. CRO will have his own team consisting of persons (rank lower to the CRO) from important functionaries within the organization, including one from the Finance discipline. The CRO is responsible for initiating and coordinating activities for operationalizing the Risk Management Framework. He shall report directly to the Chairman of the RMC.

His designated officers will be empowered by the RMC to perform as the coordinating team to take decisions regarding risk management activities and for determining future risk management related activities based on overall guidance of the RMC.

The role of the CRO and his team is as follows:

1. *Risk identification and prioritization* - Identification & prioritization of risks is the responsibility of the function.
 - a) Initiate and coordinate the annual risk identification and prioritization exercise;
 - b) Update risk classification flow and update criteria;

- c) Obtain feedback from the Board of Directors and key management personnel on the critical risks for the Company;
- d) Coordinate the risk identification exercise each Department level - provide guidance to the nominated personnel on the approach for risk identification, facilitate the risk identification exercise, facilitate the session for prioritization of risks and collate the risks that matter for the Department;
- e) Compile the results of risk assessments across the Company.

2. *Risk mitigation*

- a) Facilitate the activity of documenting the risk mitigation plan;
- b) Initiate and coordinate the annual mitigation exercise with the Risk Owners; and
- c) Compile the mitigation plans approved by the HODs/ GM for review and approval of the RMC and Board of Directors.

3. *Risk monitoring and reporting*

- a) Initiate the risk reporting and mitigation process;
- b) Compile risk assessment results across functions and submit these for review to the RMC and put up for Board of Directors;
- c) Coordinate the presentation of Risk Management results by the HODs/ GM;
- d) Present the Risk Management report to the Board of Directors on annual basis;
- e) Provide all necessary information and status to CIL CRO as and when required.

C. HODs/ GMs /RDs of Regional Institutes

The HODs/GMs are responsible for implementing the Risk Management Framework in his department and shall identify and designate within his team a Risk Owner & Mitigation owner. The specific roles and responsibilities of the HODs/GMs along with his designated Risk Owners & Mitigation Owners in operationalizing the Risk Management Framework are as follows:

1. *Risk identification and prioritization*

- a) Lead the annual risk identification and prioritization exercise;
- b) Review and finalize the risk library;
- c) Chair and facilitate the session for prioritization of risks;
- d) Review the list of RTMs; and
- e) Approve the identification and prioritization results for submission to the CRO.

2. *Risk mitigation* - The HODs/GMs shall oversee the development of mitigation plans to address the RTM. The key tasks are as follows:

- a) Nominate the Risk Owners who are responsible for identifying the root causes, mitigation plans, timelines etc.;
- b) Review and approve the mitigation plans and accountabilities for Risk Management; and
- c) Submit the root causes and mitigation plans for review and approval to the CRO.

3. *Risk monitoring and reporting* - The HODs/GMs shall review the effectiveness of risk mitigation for the RTM and provide risk reports to the CRO. The key tasks are as follows:

- a) Review RTMs and effectiveness of their mitigation plans;
- b) Determine and operationalize corrective action where applicable;
- c) Provide an overall Risk Management rating for the RTMs in the Risk Reporting;
- d) Prepare and approve the risk reporting pack for CRO office; and
- e) Present the results of Risk Management to CRO office

D1. Risk Owners

Each RTM is assigned to a 'Risk Owner', designated by the HODs/GMs of the concerned department. His role is as follows:

1. *Risk Mitigation*

- a) Identify the root-causes of the risk and existing mitigation strategies of the Company;
- b) Identify gaps in the mitigation strategies and draw out corresponding improvement plan; and
- c) Document the risk mitigation strategy with accountability and timelines.

2. Risk monitoring and reporting:

- a) Follow up with Mitigation Plan Owners on the implementation status of their mitigation plans and take corrective action where required;
- b) Provide a formal assessment on risk mitigation to the HODs/GMs. This assessment is based on their review of the deployment of mitigation plans and risk MIS;
- c) Support the HODs/GMs in their presentation to the CRO/RMC on Risk Management; and
- d) Provide such information as is required by the CRO team to evaluate the accuracy of reporting on mitigation plan effectiveness.

D2. Mitigation Owners

The RTM may have one or more mitigation plans. The implementation of the mitigation strategy is entrusted to the Mitigation Owners (MO), designated by the HODs/GMs of the concerned department. His key responsibilities are:

1. Actively participate in the design & documentation of the mitigation plans;
2. Implement the mitigation plans assigned to him;
3. Provide report on the effectiveness/stage of implementation of the mitigation plan to the Risk Owner;
4. Provide such information as is required by the CRO team to evaluate the accuracy of reporting on mitigation plan effectiveness.

Record Format 1

Risk No	Department	Category of risk	Risk Title in brief	Risk Statement	Impact Score	Probability Score	Risk Score
1	2	3	4	5	6	7	8 = 6 X 7

**SIGNATURE OF GENERAL MANAGER/HOD/RD
.....DEPARTMENT/REGIONAL INSTITUTE**

Record Format 2

Risk No	Department	Category of risk	Risk Title in brief	Risk Statement	Department/ RI Risk Score (Weightage 40%)	Directors' Risk Score (Weightage 60%)	Final Risk Score
1	2	3	4	5	6	7	8

**CHIEF RISK OFFICER
CMPDIL**