

GAUDIUM IVF AND WOMEN HEALTH LIMITED

RISK MANAGEMENT POLICY

**Approved by the Board of Directors at their meeting held on November 04, 2024*

RISK MANAGEMENT POLICY

BACKGROUND

Gaudium IVF and Women Health Limited is primarily engaged in providing In Vitro Fertilization (IVF) and health care services. The business activities of the Company carry various internal and external risks.

Section 134(3) of the Companies Act, 2013 requires a statement to be included in the report of the board of directors (“Board”) of Gaudium IVF and Women Health Limited (the “**Company**”), 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.

Furthermore, Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“Listing Regulations”), requires that the Company set out procedures to inform the Board of risk assessment and minimization procedures and makes the Board responsible for framing, implementing and monitoring the risk management plan of the Company.

Furthermore, Regulation 21 of Listing Regulations states that the company through its Board of Directors shall 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.

PREAMBLE

Risk management Policy helps organisations to put in place effective frameworks for taking informed decisions about risk. The guidance provides a route map for risk management, bringing together policy and guidance from Board of Directors, Company’s, Insurers etc. It outlines a recommended approach that will help to achieve more robust risk management.

OBJECTIVE AND PURPOSE

In line with the Company’s objective towards increasing stakeholder value and to minimize the adverse consequence of risks on business objectives the Company, a risk management policy has been framed. The guidance provides a route map for risk management, bringing together policy and guidance from Board of Directors.

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,
- Reduced waste and fraud,
- better value for money, Innovation,
- Management of contingent and maintenance activities.

RISK MANAGEMENT PROGRAM

Risk management is a continuous process that is accomplished throughout the life cycle of a Company. It is an organized methodology for continuously identifying and measuring the unknowns; developing mitigation options; selecting, planning, and implementing appropriate risk mitigations; and tracking the implementation to ensure successful risk reduction. Effective risk management depends on risk management planning; early identification and analyses of risks; early implementation of corrective actions; continuous monitoring and reassessment; and communication, documentation, and coordination.

Our risk management approach is composed primarily of five components:

Risk Identification

In order to identify and assess material business risks, the Company defines risks and prepares risk profiles in light of its business plans and strategies. This involves providing an overview of each material risk, making an assessment of the risk level and preparing action plans to address and manage the risk.

The Company majorly focuses on the following types of material risks:

- Commodity risk;
- technological risks;
- operational risks;
- competition risk;
- quality risk;
- cost risk;
- legal/regulatory risks.
- Business risk; etc.

Risk Assessment

Risk assessment allows an entity to consider the extent to which potential events have an impact on achievement of objectives. Management should assess events from two perspectives – likelihood and impact.

Risk Analysis

Risk Analysis is to be conducted using a risk matrix for likelihood and Impact, taking the existing controls into consideration. Risk events assessed as “high” or “very high” may go into risk mitigation planning and implementation; low and medium risk to be tracked and monitored on a watch list.

Risk Mitigation Strategy

Risk mitigation options viz. risk avoidance, risk reduction, risk acceptance and risk transfer are considered in determining the suitable risk mitigation strategy. For the risk mitigation steps, the cost benefit analysis needs to be evaluated. Action plans supporting the strategy are recorded in a risk register along with the timelines for implementation.

Control and Monitoring Mechanism

Risk management uses the output of a risk assessment and implements countermeasures to reduce the risks identified to an acceptable level. This policy provides a foundation for the development of an effective risk register, containing both the definitions and the guidance necessary for the process of assessing and mitigating risks identified within functions and associated processes.

RISK MANAGEMENT COMMITTEE

The Risk Management Committee shall be responsible for overseeing and reviewing risk management across the Company. The terms of reference of the Risk Management Committee are as follows:

- review of strategic risks arising out of adverse business decisions and lack of responsiveness to changes;
- review of operational risks;
- review of financial and reporting risks;
- review of compliance risks;
- review or discuss the Company's risk philosophy and the quantum of risk, on a broad level that the Company, as an organization, is willing to accept in pursuit of stakeholder value;
- review the extent to which management has established effective enterprise risk management at the Company;
- inquiring about existing risk management processes and review the effectiveness of those processes in identifying, assessing and managing the Company's most significant enterprise-wide risk exposures;
- review the Company's portfolio of risk and consider it against its risk appetite by reviewing integration of strategy and operational initiatives with enterprise-wide risk exposures to ensure risk exposures are consistent with overall appetite for risk; and
- review periodically key risk indicators and management response thereto.

AMENDMENTS:

This policy may be amended subject to the approval of Board of Directors or any of its Committees (as may be authorized by the Board of Directors in this regard), from time to time in line with the business requirement of the Company or any statutory enactment or amendment thereto.

Disclaimer

The Management cautions readers that the risks outlined above are not exhaustive and are for information purposes only. Management is not an expert in assessment of risk factors, risk mitigation measures and management's perception of risks. Readers are therefore requested to exercise their own judgment in assessing various risks associated with the Company.