

JINDAL ALUMINIUM LIMITED			
ROLLING & EXTRUSION DIVISION			
PROCEDURE FOR RISK & OPPORTUNITIES			
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AMENDMENT RECORD

Amendment			Discard		Insert	
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01	01.07.2017	In view correction in the all pages, Issue-A of procedure has made Issue-B.	--	--	--	--

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Prepared by	AM- ISO CELL		
Verified & Approved by	QMS COORDINATOR		

JINDAL ALUMINIUM LIMITED ROLLING & EXTRUSION			
TITLE: PROCEDURE FOR RISK & OPPORTUNITIES			
Doc. No.:JAL/R&E/R&O/PR/23	Rev. No.: 00	Date : 01.07.2017	Page # 01

SECTIONS	DESCRIPTION	PAGE NO.
	INDEX	01
01	PURPOSE	02
02	SCOPE	02
03	RESPONSIBILITY	02
04	INPUT	02
05	OUTPUT	02
06	DEFINITION	02
07	GENERAL	03
08	PROCEDURE	03-05
	LIST OF ANNEXURES:	
	JAL/R&E/RO/ANX/01	06
	JAL/R&E/RO/ANX/02	07
	JAL/R&E/RO/ANX/03	08
	JAL/R&E/RO/ANX/04	09
	JAL/R&E/RO/ANX/05	10
	JAL/R&E/RO/ANX/06	11
	JAL/R&E/RO/ANX/07	12
	JAL/R&E/RO/ANX/08	13
	JAL/R&E/RO/ANX/09	14
	JAL/R&E/RO/ANX/10	15
	JAL/R&E/RO/ANX/11	16
	JAL/R&E/RO/ANX/12	17
	JAL/R&E/RO/ANX/13	18
	JAL/R&E/RO/ANX/14	19

JINDAL ALUMINIUM LIMITED ROLLING & EXTRUSION			
TITLE: PROCEDURE FOR RISK & OPPORTUNITIES			
Doc. No.:JAL/R&E/RO/PR/23	Rev. No.: 00	Date : 01.07.2017	Page # 02

1.0 PURPOSE:

The purpose of this procedure is to provide for a system and instructions, and to assign responsibilities for identifying and evaluating risks and opportunities.

2.0 SCOPE:

Clause of 4.1 ISO 9001:2015 - Understanding of organization & its context.

Clause of 4.2 ISO 9001:2015 - Understanding needs & expectation of interested parties.

Clause of 6.1 ISO 9001:2015 - Action to address risk & opportunities.

3.0 RESPONSIBILITY:

All departments HOD

4.0 INPUT :

- Process flow diagram.
- Information flow about the internal and external context of the Organization.
- List of machines/equipments/tools.
- Identify the potential failure mode of each process and find out the effect of each potential failure mode at the current operation, next operation(s) and at customer end.
- Customer return, internal rejection etc.

5.0 OUTPUT:

- Severity
- Probability
- Effectiveness
- Risk Factor
- Recommended action, as applicable

6.0 DEFINITION:

- **RISK:** A negative effect of uncertainty.
- **OPPORTUNITIES:** A positive effective of uncertainty.
- **UNCERTAINTY:** A deficiency of information related to understanding or knowledge of an event, its consequence, or likelihood.
- **RISK ASSESMENT:** A systematic investigation and analysis of potential risks, combined with the assignment of severities of probabilities and consequences. These are used to rate risks in order to prioritize the mitigation of high risks

JINDAL ALUMINIUM LIMITED ROLLING & EXTRUSION			
TITLE: PROCEDURE FOR RISK & OPPORTUNITIES			
Doc. No.:JAL/R&E/RO/PR/23	Rev. No.: 00	Date : 01.07.2017	Page # 03

6.0 GENERAL

- 6.1 JAL considers and manages risks and opportunities differently.
- 6.2 Risks are managed with a focus on decreasing their likelihood, and minimizing their impact if they should occur.
- 6.3 Opportunities are managed with a focus on increase their likelihood, and maximize their benefits if they should occur.
- 6.4 Where risks and opportunities overlap, the best appropriate method for managing them shall be ascertained, given the situation at hand. Elements of such “blended” uncertainties may require methods which both address the negative risk and positive opportunity
- 6.5 FMEA tool is used for all risk assessments.
- 6.6 ISO 31010 provides guidance on the selection of risk tools.

7.0 PROCEDURE:

7.1 RISK IDENTIFICATION

- Risks are identified as part of the “Context of the Organization Exercise” described in quality manual & Annexure.
- Additional risks may be identified by any employee at any time.
- All departments have been identified process wise risk. These risks will be reviewed in Management review meeting and takes action to minimize them.
- The methods for risk assessments vary, but should always include a means of identifying the risk under examination, and a description of the result of the risk assessment.
- When using the Risk assessment , the following steps are to be followed
 1. Identify the risk.
 2. Identify the process for which the risk most likely dominates.
 3. Identify potential effect of failure on the following
 - a) Next operation.
 - b) Incoming items
 - c) Ultimate customer
 - d) Compliances & government regulation.
 - e) Machines /equipments

JINDAL ALUMINIUM LIMITED ROLLING & EXTRUSION			
TITLE: PROCEDURE FOR RISK & OPPORTUNITIES			
Doc. No.:JAL/R&E/RO/PR/23	Rev. No.: 00	Date : 01.07.2017	Page # 04

7.2 . Occurrence (O): It's the likelihood that a specific cause of failure will occur. The likelihood of occurrence ranking number has a relative meaning rather than an absolute value . It is the only way to reduce the frequency by design change, process change or controlling cause or mechanism of failure mode.

A probability of occurrence rating is based on following criteria.

Probability	Ranking	Description
Very high	5	1 in 3 failure rate
High	4	1 in 10 failure rate
Moderate	3	1 in 50 failure rate
low	2	1 in 100 failure rate
Very low	1	1 in 200 failure rate

7.3 Severity: Severity is the value associated with the most serious effect for a given Failure mode. A severity_rating is based on following criteria.

Severity	Ranking	Description
Very high	5	Non compliance with government regulation not meeting.
High	4	Daily once failure. Customer dissatisfied.
Moderate	3	Weekly twice failure. Customer experiences discomfort.
low	2	Monthly once failure. Some Customer experiences dissatisfaction.
Very low	1	Very rarely failure.

7.4 Effectiveness: Effectiveness is a numerical subjective estimate of the effectiveness of the controls to prevent or detect the cause or failure mode before the failure reaches the customer. Present system to control is based on following criteria

Effectiveness	Rating	Description
Fully effective	1	100% effective of Present system to control
Substantially effective	2	Above 75% effective of Present system to control
Partially effective	3	Above 50% effective of Present system to control
Largely Ineffective	4	Above 25% effective of Present system to control
None of totally Ineffective	5	0% effective of Present system to control

7.5. Risk evaluation:

Risk factor = Severity * Occurrence * Effectiveness

7.6 Setting of RF target:

RF target will be fixed based on the Severity, Occurrence & effectiveness ranking for initiating action on failure mode / causes. The Risk factor target is 24 & following combination also takes action

JINDAL ALUMINIUM LIMITED ROLLING & EXTRUSION			
TITLE: PROCEDURE FOR RISK & OPPORTUNITIES			
Doc. No.:JAL/R&E/RO/PR/23	Rev. No.: 00	Date : 01.07.2017	Page # 05

Severity	Occurrence	Effectiveness	Risk Factor
4	5	1	20
3	4	2	24
5	5	1	25

7.7. Recommended Action (s):

The recommended action is to reduce ranking in the following order: severity, probability of occurrence & effectiveness

- If RF value is higher than the RF Target, then action(s) is initiated to reduce the RF value.
- If RF value is less than target, then no need of recommended action further.

Note: Only a design & process change can bring down about a reduction in the severity ranking

7.8. Responsibility & Target completion date:

Enter the name of the individual and organization responsible for completing each recommended action including the target completion date. The process-responsible manager is responsible for ensuring that all actions recommended have been implemented or adequately addressed.

7.9. Severity, Occurrence, Effectiveness and RF:

After the preventive/corrective action has been completed, determine and record the resulting severity, occurrence, and Effectiveness rankings.

7.10. Review system:

- When the process is out of control or the product is failure, Concerned department HOD should evaluate risk again, ensure whether existing control measure can poses all the failure or not and resolving.
- Review and update the risk once in 6 months during Management review.