



MY HOME INDUSTRIES PRIVATE LIMITED

RISK MANAGEMENT POLICY

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[Under Section 134 (3) (n) of the Companies Act, 2013]

OVERVIEW

This is in compliance with Section 134 (3) (n) of the Companies Act, 2013 which requires the Company to develop and implement a Risk Management Policy and to lay down risk assessment and minimization procedures.

Risk management is attempting to identify and then manage threats that could severely impact or bring down the organization. Generally, this involves reviewing operations of the organization, identifying potential threats to the organization and the likelihood of their occurrence, and then taking appropriate actions to address the most likely threats.

RISK STRATEGY:

My Home Industries Private Limited (MHIPL) recognizes that risk is an integral and unavoidable component of business and is committed to managing the risk in a proactive and effective manner.

The Company believes that the Risk cannot be eliminated, however, it can be reduced by having good internal controls and by taking insurance policies on the properties/ assets of the Company to cover the risk.

In today's challenging and competitive environment, strategies for mitigating inherent risks in accomplishing the growth plans of the Company are imperative. The common risks inter alia are: Regulations, competition, Business risk, Technology obsolescence, Investments, retention of talent and expansion of facilities.

Business risk, inter-alia, further includes financial risk, political risk, fidelity risk and legal risk.

For managing Risk more efficiently, the company would need to identify the risks that it faces in trying to achieve its objectives.

As a matter of policy, these risks are assessed by the Board/ Committee and appropriate steps are taken to mitigate the same.

RISK MANAGEMENT FRAMEWORK

Objectives must exist before management can identify potential events affecting their achievement. Enterprise risk management ensures that management has in place a process to set objectives and that the chosen objectives support and align with the entity's mission and are consistent with its risk appetite.

The Objectives of the Company can be classified into:

Strategic:

- Organizational Growth.
- Comprehensive range of products.
- Sustenance and Growth of Strong relationships with dealers/customers.
- Expanding presence in existing markets and penetrating new geographic markets.
- Enhance capabilities through acquisitions.

Operations:

- Consistent Revenue growth.
- Consistent profitability.
- High quality production.

Compliance:

- Ensure stricter adherence to policies, procedures and laws/ rules/ regulations/ standards.

ROLE OF BOARD OF DIRECTORS

The Board of Directors of the Company oversee the development of Risk Management Policy and the establishment, implementation and monitoring of the Company's risk management system, in accordance with the policy.

ROLE OF THE MANAGING DIRECTOR

The Managing Director has responsibility for identifying, assessing, monitoring and managing risks. The Managing Director is also responsible for identifying any material changes to the Company's risk profile and ensuring, with approval of the Board, the risk profile of the Company is updated to reflect any material change.

Implementation of the risk management system and day-to-day management of risk is the responsibility of the Managing Director, with the assistance of senior management, as required.

The Managing Director is required to report to the Board as to the effectiveness of the Company's management of its material business risks on a regular basis.

ROLE OF THE HEADS OF THE DEPARTMENTS

Heads of Departments shall be responsible for implementation of the risk management system as may be applicable to their respective areas of functioning and report to the Managing Director.

RISK PROFILE

The Company considers that any risk that could have a material impact on its business should be included in its risk profile. The areas of risk include,

- a. Economic environment and market conditions risk
- b. Raw Material Risk
- c. Quality Risk
- d. Technology Risk
- e. Competition Risk
- f. Financial Risk including Foreign Exchange Risk
- g. Realization Risk
- h. Cost Risk
- i. Legal Risk
- j. Financial Reporting Risk
- k. Liquidity Risk
- l. Logistics Risk
- m. Disaster Risks

The Foreign Exchange Risk Management Policy of the Company forms part of this policy.

The key risk management process would include:

- i. Risk Identification
- ii. Assessment of identified risk
- iii. Risk measurement
- iv. Risk mitigation

- v. Monitoring of the risk mitigation efforts
- vi. Risk reporting and disclosures
- vii. Integration with strategy and business plan

ROLE OF AUDIT

A strong and independent Internal Audit Function at the corporate level carries out risk focused audits across all businesses, enabling identification of areas where risk management processes may need to be improved. The Audit Committee of the Board reviews Internal Audit findings, and provides strategic guidance on internal controls. It also monitors the internal control environment within the Company and ensures that Internal Audit recommendations are effectively implemented.

RESPONSIBILITY TO STAKEHOLDERS

The Company considers the reasonable expectations of stakeholders particularly with a view to preserving the Company's reputation and success of its business. Factors which affect the Company's continued good standing are included in the Company's risk profile.

CONTINUOUS IMPROVEMENT

The Company's risk management system is always evolving. It is an ongoing process and it is recognized that the level and extent of the risk management system will evolve commensurate with the development and growth of the Company's activities. The risk management system is a "living" system and the documentation that supports it will be regularly reviewed and updated in order to keep current with Company circumstances.

DISCLAIMER CLAUSE

The Management cautions readers that the risks outlined above are not exhaustive and are for information purposes only. Readers are therefore requested to exercise their own judgment in assessing various risks associated with the Company.
