RISK MANAGEMENT POLICY

BACKGROUND

This document lays down the framework of Risk Management at Mankind Consumer Products Private Limited (hereinafter referred to as the 'Company') and defines the policy for the same. This document shall be under the authority of the Board of Directors of the Company. It seeks to identify risks inherent in any business operations of the Company and provides guidelines to define, measure, report, control and mitigate the identified risks.

LEGAL FRAMEWORK

The provisions of Section 134(3)(n) of the Companies Act, 2013 necessitate that the Board's Report should contain a statement 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.

In line with the above requirements, it is therefore, required for the Company to frame and adopt a "Risk Management Policy" (hereinafter referred to as the 'Policy').

Definition of Risk

The term "Risk" does not find any specific definition under the Act. However, as per Business Dictionary, risk can be defined as a probability or threat of damage, injury, liability, loss, or any other negative occurrence that is caused by external or internal vulnerabilities, and that may be avoided through pre-emptive action.

OBJECTIVE

The objective of this Policy is to ensure that the Company has proper and continuous risk identification and management process.

This process will generally involve the following steps.

a) Identifying, ranking risks inherent in the organisation's strategy;
b) Selecting the appropriate risk management approaches and transferring or avoiding those risks that the business is not willing or competent to manage;
c) Implementing controls to manage the remaining risks;
d) Monitoring the effectiveness of risk management approaches and controls;
e) Learning from experiences and making improvements.

PURPOSE AND SCOPE OF THE POLICY

The main objective of this Policy is to ensure sustainable business growth with stability and to promote a pro-active approach in reporting, evaluating and resolving risks associated with the Company's business. In order to achieve the key objective, this Policy establishes a structured and disciplined approach to Risk Management, in order to guide decisions on risk related issues. The specific objectives of this Policy are:

- To identify and assess various business risks arising out of internal and external factors that affect the business of the Company;
- To work out methodology for managing and mitigating the risks;
- To establish a framework for the company's risk management process and to ensure its implementation;
- To enable compliance with appropriate regulations, wherever applicable, through the adoption of best practices;
- To assure business growth with financial stability.

PURPOSE AND SCOPE OF THE POLICY

For managing risk, we first need to identify risk. The risks must then be assessed as to their potential severity of loss and to the probability of occurrence.

Once risk has been identified, we need to manage the risk by any one of the following ways:

- Risk avoidance: This includes not performing an activity that could carry risk, if the risk is more than the gains.
- Risk reduction: This involves steps to reduce the severity of the loss by taking some steps.
- Risk retention: Involves accepting the loss when it occurs. In other words, this falls under category of self-insurance. All risks that are not avoided or transferred are retained by default.
- Risk transfer: Means transfer of risk to another party by entering into a contract, e.g. insurance cover, hedging instruments etc.

Depending on the risk assessment, severity and probability of occurrence, company may adopt one or more of the methods to minimize or mitigate the risk.

RESPONSIBILITY FOR RISK MANAGEMENT

Generally every staff member of the Company is responsible for the effective management of risk including the identification of potential risks. Management is 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.

RESPONSIBILITY FOR RISK MANAGEMENT

This Policy may be amended subject to the approval of the Board of Directors, from time to time in line with the business requirement of the Company or any statutory enactment or amendment thereto.

DISCLAIMER CLAUSE

The Management cautions 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.