



UNO MINDA LIMITED
(FORMERLY KNOWN AS MINDA INDUSTRIES LIMITED)
RISK MANAGEMENT POLICY

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UNO MINDA LIMITED (FORMERLY KNOWN AS MINDA INDUSTRIES LIMITED) RISK MANAGEMENT POLICY

1. Vision

To develop organization wide capabilities in Risk Management so as to ensure a consistent, efficient and effective assessment and management of risk in the achievement of the organization's objectives.

2. Preamble

Risk Management is the culture, processes and structures that are directed towards the effective management of potential opportunities and adverse effects within the corporate environment.

Risk is inherent in all business activities. Every member of the organisation continuously manages risk. Formal and systematic approaches to managing risk have evolved and they are now regarded as good management practice. As a consequence, we acknowledge that the adoption of a strategic and formal approach to risk management will improve decision-making, enhance outcomes and accountability.

Risk Management is a key aspect of the "Corporate Governance Principles and Code of Conduct" which aims to improvise the governance practices across the Company's activities. Risk Management Policy and processes will enable the Company to proactively manage the uncertainty and changes in the internal and external environment to limit negative impacts and capitalize on opportunities.

The aim of this policy is not to eliminate risk, rather to manage the risks involved in all activities of the Company to maximize opportunities and minimize adversity. Uno Minda Limited (Formerly known as Minda Industries Limited) ("Uno Minda" or "the Company") believes that the Risk cannot be eliminated however, it can be:

- Transferred to another party, who is willing to take risk, say by buying an insurance policy or entering into a forward contract;
- Reduced, by having good internal controls;
- Avoided, by not entering into risky businesses;
- Retained, to either avoid the cost of trying to reduce risk or in anticipation of higher profits by taking on more risk, and;
- Shared, by following a middle path between retaining and transferring risk.

Further, effective risk management requires:

- A strategic focus,
- Forward thinking and proactive approaches to management,
- Balance between the cost of managing risk and the anticipated benefits, and
- Contingency planning in the event that mission critical threats are realised.

Risk management also provides a system for the setting of priorities when there are competing

demands on limited resources.

3. Objective & Purpose of 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 business. In order to achieve the key objective, the policy establishes a structured and disciplined approach to Risk Management, by providing a framework that enables future activities to take place in a consistent and controlled manner, in order to guide decisions on risk related issues.

The specific objectives of the Risk Management Policy are:

- To ensure that all the current and future material risk exposures of the company are identified, assessed, quantified, appropriately mitigated, minimized and managed i.e to ensure adequate systems for risk management.
- To establish a framework for the company's risk management process and to ensure its implementation, for improving decision making, planning and prioritization by comprehensive and structured understanding of business activities , volatility and opportunities/threats;
- To enable compliance with appropriate regulations, wherever applicable, through the adoption of best practices.
- To assure sustainable business growth with financial stability.

4. Scope

This Policy Standard sets out the detailed requirements and minimum levels of achievement necessary to implement the risk management elements of the business. The policy facilitates management about risks associated with our activities and minimizes the impact of undesired and unexpected events.

Taking and managing appropriate levels of risk is an integral part of all our business activities. Risk Management, performed rigorously and comprehensively, creates stability, indirectly contributes to profit and is a key element of reputation management.

5. Definitions

- "Audit Committee" or "Committee" means Committee of Board of Directors of the Company constituted under provisions of Regulation 18 of the Listing Regulations read with Section 177 of the Companies Act, 2013.
- "Board of Directors" or "Board" in relation to a Company, means the collective body of Directors of the Company as defined under Section 2(10) of the Companies Act, 2013.
- "Listing Regulations" means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.
- "Policy" means Risk Management Policy.
- "Risk" means the chance of something happening that will have an adverse impact on the achievement of the organisation's objectives. Risk is measured in terms of consequences and likelihood of adverse impact.

- “Risk Assessment” means the systematic process of identifying and analysing risks.
- “Risk Management” means the systematic way of protecting business resources and income against losses so that the objectives of the Group can be achieved without unnecessary interruption.
- “Risk Management Process” means the systematic application of management policies, procedures and practices to the tasks of establishing the context, identifying, analysing, evaluating, treating, monitoring and communicating risk.

6. Regulatory Framework/ Requirement

Risk Management Policy is framed as per the regulatory requirements under the Listing Regulations and the Companies Act, 2013.

7. Uno Minda Approach for Risk Management

Uno Minda adopts systematic approach to mitigate risks associated with accomplishment of objectives, operations, revenues and regulations. Uno Minda believes that this would ensure mitigating steps proactively and help to achieve stated objectives.

The flow comprises of three parts as under:

- Part I Risk Identification & Assessment
- Part II Risk Monitoring & Mitigation
- Part III Business continuity plan

Part I RISK IDENTIFICATIONS & ASSESSMENT

The Risk Management Committee shall identify from time to time internal and external risks specifically faced by the Company in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information (including but not limited to the applicability of Digital Personal Data Protection Act, 2023), cyber security risks or any other risk.

Risk identification & Assessment consists of a detailed study of threats on the business based on vulnerability and resultant exposure to various risks. Each risk is to evaluated as critical, high, medium & low, based on Probability of occurrence and Impact analysis done on a 5x5 risk matrix.

Part II RISK MONITORING & MITIGATION

The Board shall appoint a Chief Risk Officer of the Company upon recommendation of the Risk Management Committee of the Company.

The Chief Risk Officer shall be responsible for driving the organization's Enterprise Risk Management (ERM) approach and shall have such responsibilities as advised by the Managing Director and/or Chief Financial Officer of the Company and/or the Risk Management Committee and or Board.

The Risk Management Committee shall review the ERM at-least once in a year. The ERM shall inter- alia identify key risks, risk drivers, mitigation plan, probability of the occurrence of the risk, impact and risk score. The mitigation plan shall have both proactive and reactive measures of all identified risks and shall also clearly define the responsibilities for risk mitigation.

PART III BUSINESS CONTINUITY PLAN (BCP)

Business Continuity Planning (BCP) – Company recognizes the importance of BCP for the smooth running of business particularly during challenging times. The Company focuses on business continuity, both from a business operations sustainability viewpoint as well as from perspective of all stakeholders. The risk mitigation plan shall inter-alia ensure business continuity.

8. Policy

Before proceeding to the Policy, attention is drawn to the roles that the Board and Risk Management Committee are required to play under the above regulations governing Risk Management.

The Board's role is to ensure framing, implementing and monitoring risk management plan, having in place systems for risk management as part of internal controls with duty being cast upon Independent Directors to bring unbiased angle to the Board's deliberations on making risk management systems more robust.

Risk Management Committee's role is evaluation of the risk management system.

9. Broad Principles:

The Board has to review the business plan at regular intervals and develop the Risk Management Strategy which shall encompass laying down guiding principles on proactive planning for identifying, analyzing and mitigating all the material risks, both external and internal viz. Economic, Environmental, Social, Governance, Business, Operational, Financial, Technological and others. Communication of Risk Management Strategy to various levels of management for effective implementation is essential.

The following steps to be taken:

Risk identification: To identify organization's exposure to uncertainty.

Risk Description: To display the identified risks in a structured format

Risk Evaluation: To conduct the impact and probability assessment.

10. Development of Action Plan

The Board has constituted a Risk Management Committee

The Committee shall assist in implementation of the Risk Management Plan and also monitor its implementation.

11. Role of the Board

The Board will undertake the following actions to ensure risk is managed appropriately:

- The Board shall be responsible for framing, implementing and monitoring the risk management plan for the company;
- The Board may delegate framing, implementing, monitoring and reviewing of the risk management plan to the Committee and such other functions as it may deem fit;
- Ensure that the appropriate systems of risk management are in place;

12. Role of Audit Committee

The role and responsibility of the Audit Committee shall include evaluation of internal financial controls and risk management systems.

13. Integration of Risk Management Strategy

Company's risk management strategy is to be integrated with the overall business strategies of the organization and its mission statement to ensure that its risk management capabilities aide in establishing competitive advantage and allow management to develop reasonable assurance regarding the achievement of the Company's objectives.

14. General

The decision of the Board of Directors of the Company with regard to any or all matters relating to this policy shall be final and binding on all concerned. The Board of Directors of the Company shall have the power to modify, amend or replace this policy in part or full as may be thought fit from time to time in their absolute discretion.

15. Policy Review

The provisions of the Companies Act, 2013 and SEBI Rules and Regulations (as amended from time to time) and any clarification issued by MCA, SEBI & Stock Exchange(s), shall automatically apply and be part of this policy.

This policy shall evolve by review by the Risk Management Committee and the Board from time to time as may be necessary.

This policy on Risk Management is revised by the Board of Directors on this March 20, 2024.
