OMFURN
Creation out of your dreams

OMFURN INDIA LIMITED

RISK MANAGEMENT POLICY

1. BACKGROUND:

Omfurn India Limited (The "Company") is mainly engaged in the business of manufacturing and supplying of furniture's like Executive office furniture, International school furniture, Modular office furniture, Bedroom Furniture, wooden door & frame etc. in terms of customized, system based or Turnkey project's throughout India. The Company also specializes in the design and execution of turnkey interiors projects by bringing together under the same roof all of the resources necessary to meet the needs of any fit-out project. The business activity carries various internal as well as external risks.

Risk can be defined as effect of uncertainty on the objectives. It is measured in terms of consequences and likelihood. Every member of the organisation continuously manages various types of risks. Formal and systematic approaches to manage risk have evolved and they are now regarded as management practices also called as Risk Management.

Risk Management' is the identification, assessment, and prioritization of risks followed by coordinated and economical application of resources to minimize, monitor, and control the probability and/or impact of uncertain events or to maximize the realisation of opportunities.

2. REGULATORY:

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. Further, the provisions of Section 177(4)(vii) of the Companies Act, 2013 require that every Audit Committee shall act in accordance with the terms of reference specified in writing by the Board which shall inter alia include evaluation of risk management systems. In line with the above requirements, it is therefore, required for the Company to frame and adopt a "Risk Management Policy" of the Company.

3. RISK FACTORS:

Below are the certain risk factors which may affect the functioning of the Company:

a. **Internal Risk:**

- Loss of personnel;
- Financial;
- Difficulty in optimum use of resources;
- Maintaining Quality;
- Contractual Compliances;
- Execution of Project;

b. **External Risk:**

- Competition;
- Inflation;
- Environment and Market Conditions;
- Technology Obsolescence;
- Fluctuations in Foreign Exchange;
- Political Environment;
- Legal Compliances.

4. **RESPONSIBILITY FOR RISK MANAGEMENT:**

In general, all the member of the Company is responsible for the effective management of risk including the identification of potential risks that may arise. Management is responsible to identify, assess, monitor and manage risks and to develop risk mitigation plans and to implement risk reduction strategies.

5. **RISK MANAGEMENT STRATEGIES:**

The strategies include:

a. **Adjustment:**

Adjust project requirements to reduce risk. The adjustment could be accommodated by change in technology requirements, funds etc.

b. **Control:**

Control on all aspects and every department to reduce risk.

c. **Transfer:**

Transfer accountability, responsibility to another employee willing to take risk.

d. **Training programmes:**

Regular training programmes should be conducted in order to reduce the risk that may arise.

e. **Monitor:**

Monitor the processes on regular interval to reduce risk.

Each of the above requires planning and monitored for effectiveness.

6. **AMENDMENT:**

This Policy can be modified at any time by the Board of Directors of the Company.