Moneyplus

MONEYPLUS RISK MANAGEMENT POLICY

(U/ s 134 (3)(n) of the Companies Act, 2013

PREFACE:

Risk Management is an integral part of the Corporate Governance Policy .NBFC's are exposed to several risks including credit risk ,Interest risk ,operational risk and Human Risk Therefore it is a must for them to introduce an effective risk management policy to identify potential threats to the Company and to take appropriate measures to address the most likely threats

This is also in Compliance to the provisions of Section 134(3)(n) of the Companies Act, 2013 which necessitates 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.

Overview

The Risk Management (RM) at MONEYPLUS encompasses practices relating to identification, assessment, monitoring and mitigation of various risks to our business. Risk Management Policy of our Company seeks to minimize unfavorable impact on our business objectives and develop stakeholder value. Further, our risk management practices seek to sustain and enhance long-term competitive advantage of the Company.

Purpose

The purpose of this policy is to address unanticipated and unintended losses to the human resources, financial assets and property of the Organisation without unnecessarily limiting the activities that advance the Organisation's mission and goals. The Management Committee Should be responsible to frame, implement and monitor the Risk Management Plan of the company.

Principles

The effective management of risk is vital to the continued growth and success of MONEYPLUS. For risk management to be effective, all operations must apply the following principles to the context of their particular business and its objectives:

- Risk management must create and protect value
- Risk management is integrated into organizational processes.
- Explicit risk management helps decision-makers make informed choices.
- Risk management is focused on the sources of uncertainty around the achievement of objectives
- Risk management must be tailored to the context and fit for purpose
- Risk management is dynamic, iterative and responsive to change

Moneyplus

A. Risk Management Policy

MONEYPLUS recognizes that Risk management is one of the key principles of effective Corporate Governance. The Risk management policy is given below:-

1. To continuously thrive for available risks in the Organisation which directly or indirectly effect the functioning of the Organization
2. To ensure the protection of rights & values of Shareholders by establishing a well organized Risk Management Framework.
3. Selecting, maintaining and enhancing the risk management tools to provide analysis that inform and support the investment actions of the entire Organization

B. Identification, Measurement and Assessment of Risk

- Management's responsibility, as delegated by the Management Committee, is to operationalise the Risk Management Program and ensure that formal procedures are in place to identify and define risk with input from representatives across the enterprise.

- Measurement of risk is completed considering both quantitative and qualitative means using the likelihood and impact criteria as developed by Management Committee and as reviewed by the Board.

C. Types of Risk

The following broad categories of risks have been considered in our risk management framework:

Market Risk: Risks emanating out of the choices we make on markets, resources and delivery model that can potentially impact our long-term competitive advantage. Risks relating to inherent characteristics of our industry including competitive structure, technological landscape, extent of linkage to economic environment and regulatory structure.

Operational Risk: Risks inherent to business operations including those relating to clients acquisition, service delivery to clients, business support activities, information security, physical security and business activity disruptions.

Credit Risk: A risk of loss due to failure of a borrower/counterparty to meet the contractual obligation of repaying his debt as per the agreed terms, is commonly known as risk of default/credit Risk

Interest Risk: Interest rate risk is the risk where changes in market interest rates might adversely affect an NBFC's financial condition. The changes in interest rates affect company in some way. The immediate impact of changes in interest rates is on company's earnings (i.e. reported profits) by changing its Net Interest Income (NII). As such MONEYPLUS is into funding of loans which are on floating rate loans basis. Given the interest rate fluctuation, the company has adopted a prudent & conservative risk mitigation strategy to minimize interest risk.

Liquidity Risk: Measuring and managing liquidity needs are vital for effective operation of company. The importance of liquidity transcends individual institutions, as liquidity shortfall in one institution can have repercussions on the entire system. The Board should measure not only the liquidity positions of company on an ongoing basis but also examine how liquidity requirements are likely to evolve under different assumptions.

Human Resource Risk: MONEYPLUS's Human Resource adds value to the entire company by ensuring that the right person is assigned to the right job and that they grow and contribute towards organizational excellence. Our growth has been driven by our ability to attract top quality talent and effectively engage them in right jobs. Risk in matters of human resources are sought to be minimised and contained by following a policy of providing equal opportunity to every employee, inculcate in them a sense of belonging and commitment and also effectively train them in spheres other than their own specialization. Employees are encouraged to make suggestions on innovations, cost saving procedures, free exchange of other positive ideas etc. It is believed that a satisfied and committed employee will give of his best and create an atmosphere that cannot be conducive to risk exposure. Employee compensation is always subjected to fair appraisal systems with the participation of the employee and is consistent with job content, peer comparison and individual performance.

Regulations and compliance: The Company is exposed to risk attached to various statutes and regulations. The company is mitigating these risks through regular review of legal compliances carried out through internal as well as external audit.

ROLE OF THE BOARD TO ENSURE RISK MANAGEMENT:

- The Board shall be responsible for framing, implementing and monitoring the risk management plan for the company.
- The Board shall ensure that risk management is integrated into board reporting.
- This Board shall review the policy at least once in every year to ensure it meets the requirements of legislation & the needs of organization.

Moneyplus