

BANNARI AMMAN SUGARS LIMITED

RISK MANAGEMENT POLICY

(As reviewed and approved on 25th October, 2023 by the Risk Management Committee)

Preamble

The Board of Directors of the company has voluntarily constituted Risk Management Committee (RMC) at its meeting held on 12.11.2014 to evaluate the risks involved in the businesses of the company and to monitor and review the risk management plan of the company.

The Securities Exchange Board of India (SEBI) on May 5, 2021 amended Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which mandates top 1000 listed companies based on the market capitalization to formulate risk management policy and specified certain roles and responsibilities of the Risk Management Committee. The company is one of the top 1000 companies as per market capitalization. Accordingly the Board of Directors at its meeting held on 9.9.2021 has reviewed the existing Risk Management framework and revisited the existing terms of reference to the Risk Management Committee and redefined the roles and responsibilities of the Risk Management Committee.

Risk Management Committee and it's Roles and Responsibilities:

The Risk Management Committee is consisting of Sri M P Vijayakumar, Sri T Gundan Independent Directors and Sri S V Balasubramaniam, Chairman and Sri B Saravanan, Managing Director. The Roles and Responsibilities of Risk Management Committee are:

- (1) To Formulate a detailed risk management policy which shall include:
 - (a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
 - (b) Measures for risk mitigation including systems and processes for internal control of identified risks.
 - (c) Business continuity plan.

- (2) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- (3) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- (4) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- (5) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- (6) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be reviewed by the Risk Management Committee.

The Risk Management Committee shall co-ordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors.

The Risk Management Committee and the Board of Directors at their respective meetings held on 10.11.2021 have approved the following revised Risk Management Policy.

Objectives

This revised Risk Management Policy forms an integral part of the internal control and corporate governance framework of Bannari Amman Sugars Limited. The Company's Risk Management Policy endeavors to support its objectives inter alia

1. To ensure adequate systems for risk management.
2. To establish framework that enables present and future activities to take place in a consistent & controlled manner
3. Protecting and enhancing assets and company image
4. Reducing volatility in various areas of the business
5. Developing and supporting people and knowledge base of the organization
6. To assure business growth with financial stability

Process and Procedure

- (i) Identify the risk and document the risks captured;
- (ii) Assess the impact and proximity of each risk ;
- (iii) Prepare a plan to mitigate the risk and to place it before management;
- (iv) Evaluate the plan for implementation;

- (v) Monitor and review the performance of the risk management system and changes in the business initiatives; and
- (vi) Provide reports to Risk Management Committee, Audit Committee and the Board at regular intervals.

Risk Governance

- The functional heads of the company are responsible for managing the risk on various parameters and ensure implementation of appropriate risk mitigation measures.
- The Risk Management Committee provides oversight and reviews risk management policy from time to time

Risk Identification

External and internal risk factors that must be managed are identified in the context of business objectives.

Risk Assessment and Control

Every staff member of the organization is responsible for the effective management of risk including identification of potential risk. The Senior Management should promote and monitor the culture of risk management within the organization and compliance with the internal risk control systems and procedures by the employees. The Head of Departments and other Senior Management Persons of the Company at organizational level under the guidance of the Risk Management Committee/Audit Committee/Board are responsible for the development of risk mitigation plans and implementation of risk reduction strategies.

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 aid in establishing competitive advantage and allow management to develop reasonable assurance regarding the achievement of the Company's objectives.

Review

This policy shall be reviewed from time to time by the Board of Directors on the recommendation of Risk Management Committee as it may consider necessary.

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