

ANMOL INDUSTRIES LIMITED



(As adopted by the Board on 10.09.2026)

RISK MANAGEMENT POLICY **(Version 4.0)**

ANMOL INDUSTRIES LIMITED

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1. **BACKGROUND:**

Anmol Industries Limited (hereinafter referred to as the “Company” or “AIL”), a limited company incorporated under the Companies Act, 1956 (now within the meaning of Companies Act, 2013) and having its registered office at 229, A. J. C Bose Road, Kolkata 700020 is engaged in the manufacture and selling of biscuits, cakes, Cookies and other packaged food products, in its portfolio, throughout India with focus on certain geographies. The business activities of the Company carry various internal and external risks.

This document seeks to identify the risks inherent in the business operations of the Company and lays down the framework to define, measure, evaluate, report, control and mitigate the identified risks at the Company.

Title	Particulars
Reviewing Authority	Risk Management/ Audit Committee of Directors
Approving Authority	Board of Directors of the Company
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Review Cycle	As mentioned in the Policy/ As considered necessary

2. **DEFINITIONS:**

- a) **“Act”** means the Companies Act, 2013 and Rules framed there under, as amended from time to time.
- b) **“Audit Committee”** means a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 177 of the Companies Act, 2013 (“Act”)
- c) **“Board of Directors”** or **“Board”** in relation to a Company, means the collective body of Directors of the Company (Section 2(10) of the Act).
- d) **“Company”** shall mean Anmol Industries Limited
- e) **“Policy”** means Risk Management Policy framed by the Company.
- f) **“Risk”** is an event or a probability of an event, which can prevent, hinder or otherwise obstruct the Company in value creation and achieving its objectives or erode the existing value of the Company. An illustration list of risks identified by the Company is given herein-below under the head ‘Risk Factor’.
- g) **“Risk Management Committee”** shall mean the Committee formed by the Board of the Company in compliance the SEBI Listing Regulations.
- h) **“Risk Management System”** or **“Risk Management”** is the process of identification, evaluation, and prioritization of risks followed by coordinated and economical application of resources to minimize, monitor, and control the probability or impact of the Risks.
- i) **“Risk Managers”** or **“Risk Owners”** means an accountable point of contact of the Company at the senior leadership level, who coordinates efforts to mitigate and manage the risks with various other individuals who own parts of the risk.
- j) **“SEBI Listing Regulations”** shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the SEBI Listing Regulations or any other applicable law or regulation as amended from time to time.

3. **LEGAL FRAMEWORK:**

Pursuant to Regulation 17(9) and Regulation 21(4) read with Part D of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**“SEBI Listing Regulations”**).

The Companies Act, 2013 has incorporated various provisions in relation to Risk Management policy, procedure and practices which include:

Section 134(3)

There shall be attached to financial statements laid before a company in general meeting, a report by its Board of Directors, which shall include-

- (n) 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.*

Section 177(4) stipulates

Every Audit Committee shall act in accordance with the terms of reference specified in writing by the Board which shall inter alia, include-

- (vii) evaluation of internal financial controls and risk management systems.*

Schedule IV

Code for Independent Directors

II. Role and functions:

The independent directors shall, amongst others-

- (1) help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;*
- (4) Satisfy themselves on the integrity of financial information and that financial control and the systems of risk management are robust and defensible;*

4. OBJECTIVE:

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.

The specific objectives of this 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.
- To enable compliance with appropriate regulations, wherever applicable, through the adoption of best practices.
- To assure business growth with financial stability.

5. **RISK FACTORS:**

The business of the Company is subject to risks that are external and internal as enumerated below. This is an illustrative list and not necessarily an exhaustive classification.

A. Internal Risk Factors

Inventory & Input Risk: The Company uses wheat flour, sugar, butter, vanspati and vegetable oils etc. as raw materials for its final products. Any increase raw materials price shall affect margins, profitability and results of operation. The Company's products are of a perishable nature and typically have a shelf life of three to six months. Its inventory levels in relation to raw materials and its products are primarily based on forecasts and requirements predicted by the sales team in consultation with the distribution channel. The forecasts are based on past sales as well as anticipated demand, which is based to a certain extent on the subjective assessment of its sales team. The Company also monitors its inventory and product mix through daily ageing analysis at all its manufacturing facilities prepared using SAP software. It must continuously monitor its inventory and product mix against forecasted demand or risk having inadequate supplies to meet its consumer demand as well as having too much inventory on hand that may reach its expiration date and become unsalable. If the Company is unable to manage its inventory levels adequately, its operating costs could increase and its profit margins could decrease, which may adversely impact its financial condition leading to an adverse impact on its operating results and future profitability.

Further the Company requires a significant amount and continuous supply of electricity, fuel and water and any shortage or non-availability or tariff increase thereon may adversely affect its operations. Interruptions of electricity supply can also result in production shutdowns, increased costs associated with restarting production and the loss of production in progress. Any failure on the Company's part to obtain alternate sources of electricity, fuel or water, in a timely manner, and at an acceptable cost, or any increase in fuel prices or a shift to alternate fuels / technology in the future will result in increased operating costs which may have an adverse effect on its business, financial condition, margins, results of operations and profitability.

B. Business Risk: The Company may outsource a part of its manufacturing of products to contract manufacturers and any disruption or interruption in their operations, or their inability to manufacture the final products to the Company's quality standards, would have a material adverse effect on Company's business, financial condition and results of operation. Moreover, failure by transportation providers to deliver products on time could result in lost sales.

The Company adopts the B2B model for its sales and networking. In case of non-maintenance of good relationships with its distributors or creation of new distribution channel may have an adverse effect on its financial condition and margins results of operations and profitability.

C. Operational Risk: Any disruption in the operation at any of the manufacturing facilities such as delay in commencement of production, shut down or long break down where bakery products are manufactured could affect the Company's operations. Virtually all finished products inventory is located in manufacturing facilities and any damage or disruption at these facilities would have an adverse effect on the Company's business, results of operations and financial condition.

- D. Personnel Risk:** The Company is highly dependent upon availability of skilled and semi-skilled labor. Any labor problem could adversely affect the Company's results of operation and financial condition. Moreover, the dependence on a number of key personnel and the loss of such persons, or inability to attract and retain key personnel in the future, could adversely affect the Company.
- E. Quality Risk:** The Company could be adversely affected by instances of food-borne illness, as well as widespread negative publicity regarding food quality, illness, injury or other health concerns.
- F. Legal Risk:** The Company requires a number of approvals, licenses, registrations and permits for business, and the failure to obtain or renew them in a timely manner may adversely affect its operations.
- G. Technology Risk:** Consumer preferences for products are difficult to predict and may change, and if Company is unable to respond quickly to new trends and technological developments, its business may be adversely affected.

External Risk Factors

- A. Economic, Environment and Market Risk:** Market share and business position may be adversely affected by economic, environmental and market factors, some of which are beyond the Company's control.
- B. Political Risk:** There could be political or other factors that are beyond control but may have a material adverse impact on the Company's business and results of operations should they materialize.
- C. Competition:** The Company faces significant competition from manufacturers of bakery products in the organized and unorganized sectors. Any failure to compete effectively may have a material adverse effect on its business and operations.
- D. Reputation Risk:** The use of "Anmol" or similar trade names by third parties may result in loss of business to such third parties, and any potential negative publicity relating to such third parties may adversely affect reputation, the goodwill of brand and business prospects. Also, Company's failure to protect proprietary information about its bakery products, recipes, pricing or launch information could adversely affect its competitive position.
- E. Regulatory Risk:** The operations are highly regulated in the areas of health and food safety and Company may be subject to the risk of incurring compliance costs and the risk of potential claims and regulatory actions. Also, if more stringent labor laws or other industry standards in India become applicable to the Company, its working may be adversely affected.
- F. Tax Laws:** Any change in Indian tax laws, including the upward revision to the currently applicable normal corporate tax rate along with applicable surcharge and cess, could affect the Company's tax burden.
- G. Foreign Exchange Fluctuation Risk:** Exchange rate of the Indian Currency may be adversely affected by economic and market factors, which are beyond the Company's control. This may affect the FCNR Loans, Import and Outward Payments and Export Proceeds etc.

6. **RISK MANAGEMENT FRAMEWORK:**

The Risk Management Framework of the Company encompasses the following process:

- a) **Risk identification**- identifying the major risks which may occur due to Internal and External environment causing loss to the Company.
- b) **Assessment of identified risk**- Assessing the risks as to their probability of occurrence and potential and severity of loss on finances, output, people's health and safety, reputation & brand and legal & regulatory implications.
- c) **Monitoring** - monitoring & reviewing the occurrence of risk on periodical basis by way of continuous watch and vigil on any change both in the Internal and external conditions which may have an adverse impact on the Company's business, its survival and future growth.
- d) **Mitigation**- mitigation and controlling the risks by way of creation and formulation of appropriate policies, strategies, structures, systems & procedures.
- e) **Control**- ensuring efficacy and effectiveness of the implemented detailed risk control matrices for all entity level, operational & financial areas.
- f) **Reporting**- Communicating the Risk related dimensions – status of mitigation of Risks identified & evaluated to stakeholders.

7. **RESPONSIBILITY DISTRIBUTION:**

Board of Directors

The Board shall be responsible for the following:

- (i) framing, and implementation of the risk management plan, processes and guidelines and periodic review of the same as per the reports and recommendation of the Audit Committee;
- (ii) supervising the overall Risk Management System of the Company including periodic assessment of the risk management and ensuring updating the risk register;
- (iii) suggesting steps to minimize and mitigate the risks to the Audit Committee;
- (iv) To review the Risk Management Policy as and when deemed fit by the Board, irrespective of any recommendation from the audit committee;
- (v) The appointment, removal and terms of remuneration of the Chief Risk Officer (if applicable).

The Board shall convey Risks, if any, identified by it to the Audit Committee. It has the discretion to deal with certain risks in the manner it may deem fit.

Mitigation of such risks and effectiveness of their mitigation measures and review of the strategy may be directly discussed by the Board members with Audit Committee.

Audit Committee

The Audit Committee shall be responsible for managing, minimizing and monitoring all the financial risks as identified by the Board of Directors. To ensure the same, the Audit Committee shall ensure that the Company has in place adequate internal audit coverage to satisfy itself that the policies and procedures are being implemented effectively. The role of the Audit Committee with respect to risk management shall include:

- (i) To evaluate the effectiveness of the Risk Management Framework and the Risk Management Systems.
- (ii) To review and recommend changes to the Risk Management Policy and/ or associated frameworks, processes and practices of the Company.
- (iii) To ensure the implementation of the suggestions/remarks/comments of the Board of Directors on the Risk Management Policy;
- (iv) To review the risk management plan and ensure its effectiveness, and recommend changes as required, to the Board.
- (v) To map the risks and classify them on the basis of their severity.
- (vi) To review and monitor the performance of financial risk owners;
- (vii) To regularly reviewing and updating the current list of financial risks and reporting the same to the Board, where required;
- (viii) To periodically report the Board on the other key risks identified, risk management issues and actions taken in this regard.

Risk Management Committee:

The Risk Management Committee ('RMC') is responsible for:

- (i) To formulate a detailed risk management policy which shall include:
 - A framework for identification of internal and external risks specifically faced by the Company, 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.
 - Measures for risk mitigation including systems and processes for internal control of identified risks.
 - Business continuity plan.
- (ii) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- (iii) To monitor and oversee implementation of the Policy, including evaluating the adequacy of risk management systems;
- (iv) To periodically review the Policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- (v) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- (vi) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.
- (vii) To monitor and oversee implementation of the cyber security measures.
- (viii) To define the risk strategy, key areas of focus and risk appetite for the Company.

The Committee shall coordinate 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.

Risk Owners

The role of Risk Owners shall include:

- (i) to act on the instructions of the Audit Committee and the Board;
- (ii) periodically submit progress report to the Audit Committee and the Board (as may be directed) w.r.t risk management plan;
- (iii) to implement the suggestions/remarks/comments of the Board of Directors through the Audit Committee in the risk management plan considering the new financial and non-financial business risks and providing the periodical report on the same to the Audit Committee/ Board (as may be directed).

8. FLOW OF RESPONSIBILITY:

- i. risks identified by the external agency, wherever appointed, shall be submitted to the Audit Committee along with mitigation plan;
- ii. the Audit Committee, after receipt of the report of the external agency shall provide its comments/remarks/suggestions on the newly identified risk and demarcate between the financial business risk and non-financial business risk and shall take necessary measures to minimize and mitigate the same through the respective Risk Owners;
- iii. the respective Risk Owners shall provide a periodical report to the Audit Committee regarding the implementation and results thereof;
- iv. the Audit Committee shall review the steps taken by the Risk Owners and submit to the Board an action taken report along with their respective comments;

Without generality to the above, the Board, having a supervisory role, shall have discretion to directly monitor any Risk and require any committee / officer / Risk Owner to report it directly on the same.

9. REVIEW/AMENDMENT:

This policy shall evolve by review from time to time as may be necessary to ensure it meets the requirements of legislation and the needs of organization. This Policy will be communicated to all vertical/functional heads and other concerned persons of the Company.

In the event of any conflict between the Companies Act, 2013 or the SEBI Listing Regulations or any other statutory enactments and the provisions of this Policy, the Regulations shall prevail over this Policy and the provisions in the Policy would be modified in due course to make it consistent with law. Any subsequent amendment/modification in the SEBI Listing Regulations, in this regard shall automatically apply to this Policy.

10. PUBLICATION:

This Policy will be available on the Company's website and the key features will be published in the Annual Report of the Company.

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