

RISK MANAGEMENT POLICY

1. PREAMBLE

Risk is an integral and inseparable component of the business operations of a company.

Risks with which a company may be faced include market risks, financial reporting risks, finance risk, fluctuations in foreign exchange/price of raw materials, technological risks, human resource management and legal and other compliance risks with the changes in regulatory framework in India or elsewhere.

Balaji Amines Limited (the 'Company') believes that an effective and sustained risk management including identifying significant risks with which the Company is faced or may be faced with and devising risk assessment and mitigation procedures to manage such risks would play an important role in protecting shareholder value, improving governance processes and meeting unforeseen exigencies in the cycle of conduct of business operations and compliances of various aspects in view of legal frame works of the Company.

2. LEGAL FRAMEWORK

In accordance with Section 134(3)(n) of the Companies Act, 2013, a company is required to include 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 and further as per Regulation 17 of the SEBI (LODR) Regulations, the board of directors shall be responsible for framing, implementing and monitoring the Risk management plan for the listed entity. Accordingly, to mitigate and manage risks the Company has formed the policy (the "Risk management Policy") for the same.

3. PURPOSE AND SCOPE

The main objective of this Policy is to ensure value creation for all the stakeholders with sustainable business growth and to promote a pro-active approach in reporting, evaluating and resolving risks associated with the Company's businesses and various operations.

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 ensure business growth with financial stability.

4. RISK MANAGEMENT

The Management shall ensure effective implementation of the Risk Management Policy of the Company. This shall include:

- (i) putting in place risk management frameworks and processes;
- (ii) identifying risks and promoting a pro-active approach to treating such risks;
- (iii) conducting regular risk assessments;
- (iv) allocating adequate resources to mitigate and manage risks and minimize their adverse impact on outcomes;
- (v) striving towards strengthening the risk management system through continuous learning and improvement;
- (vi) Reviewing all business continuity processes and disaster management plans for unforeseen exigencies and providing clear guidance and strong basis for informed decision making at all levels of the organization;
- (vii) deploying strategies and methods to reduce the severity of risks;
- (viii) complying with all relevant laws and regulations and compliance across its areas of operation;
- (ix) communicating the Policy to the required stakeholders through suitable means and periodically reviewing its relevance in a dynamic business environment;

5. MONITORING, IMPLEMENTATION AND AMENDMENT

(1) The Board or Audit Committee may also identify and establish risk management systems and operational and financial controls and conduct an evaluation of the same, from time to time, to give effect to the intent of this Policy and further the objective of good corporate governance.

(2) The Policy will be continuously identified, analyzed and monitored on a regular basis by the Board / Audit Committee as the case may be.

6. DISCLOSURES

The Board's report shall contain a statement indicating the 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 operations - businesses of the Company.

7. APPROVAL AND MODIFICATION

The Board reserves the right to amend, modify or review this Policy in whole or in part, at any point of time, as may be deemed necessary.