

# **BN AGROCHEM LIMITED**

**(Formerly BN Holdings Limited)**

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## **RISK MANAGEMENT POLICY**

**(PURSUANT TO REGULATION 21(4) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS), REGULATIONS 2015**

**1. PREAMBLE:**

The Board of Directors has adopted Risk Management Policy (hereinafter referred to as the "Policy") and procedures with regard to risk management. This document lays down the framework of Risk Management at BN Holdings Limited (Formely Arihant Tournesol Limited) (hereinafter referred to as the 'Company') and defines the policy for the same. This document shall be under the authority of the Board of Directors of the Company. It seeks to identify risks inherent in any business operations of the Company and provides guidelines to define, measure, report, control and mitigate the identified risks. This document lays down the framework of Risk Management and defines the policy for the same. It seeks to identify risks inherent in any business operations of the Company and provides guidelines to define, measure, report, control and mitigate the identified risks.

**2. OBJECTIVE:**

The objective of Risk Management is to create and protect shareholder value by minimizing threats or losses and identifying and maximizing opportunities. An enterprise-wide risk management framework is applied so that effective management of risks is an integral part of every employee's job.

**3. DEFINATIONS:**

"Risk"	The threat or possibility that an action or event will adversely or beneficially affect Victoria's ability to achieve its goals. Risk is measured in terms of likelihood and impact.
"Risk Management"	The culture, processes and structures that are directed towards the effective management of potential opportunities and possible adverse effects within the University's environment.
"Risk Management Process"	The systematic application of policies, procedures and practices to the tasks of establishing the context, identifying, analysing, evaluating, communicating, treating and monitoring risk.
"Risk Mitigation"	The systematic application of policies, procedures and practices to the tasks of establishing the context, identifying, analysing, evaluating, communicating, treating and monitoring risk.
"Audit Committee"	Committee of Board of Directors of the Company constituted under the provisions of the Companies Act, 2013 and the Listing Regulation.
"Risk Management Committee"	Committee of Board of Directors of the Company constituted under the provisions of the Listing Regulation.
"Listing Regulation"	In relation to a company, it means the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the latest circulars thereunder.
"Board of Directors" or "Board"	In relation to a Company, means the collective Body of Directors of the Company. [Section 2(10) of the Companies Act, 2013]
"Policy"	Policy means Risk Management Policy

#### 4. GOVERNANCE FRAMEWORK:

The Risk Management Policy is framed as per the following regulatory requirements:

##### (i) Under Listing Regulation:

- Regulation 4 (2 ) (ii) Key Functions of the Board

The Board should fulfill certain key functions, including:

- Reviewing and guiding corporate strategy, major plans of action, risk policy, annual budgets and business plans, setting performance objectives, monitoring implementation and corporate performance, and overseeing major capital expenditures, acquisitions and divestments.

- Regulation 21 Role of Risk Management Committee (Part D of Schedule II)

The role of the committee shall, inter alia, include the following:

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

- Regulation 17(7) – Minimum Information to be placed before Board of Directors (Part A of Schedule II)

- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.

- Regulation 18 Role of Audit Committee (Part C of Schedule II)

The role of the Audit Committee shall include the following:

- Evaluation of internal financial controls and risk management systems

- Regulation 17 - Board of Directors

- A. The company shall lay down procedures to inform Board members about the risk assessment and minimization procedures.

B. The Board shall be responsible for framing, implementing and monitoring the risk management plan for the company.

- Regulation 21 – Risk Management Committee

A. The board of directors shall constitute a Risk Management Committee.

B. The Risk Management Committee is applicable to the top 1000 listed entities.

**(ii) Under Companies Act, 2013:**

- Provisions of the 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 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.

- Provisions of the Section 177(4)

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 internal financial controls and risk management systems.

- Schedule IV [Section 149(8)] - Code for Independent Directors

Role and functions:

The independent directors shall 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.

**5. CONSTITUTION OF RISK MANAGEMENT COMMITTEE:**

Risk Management Committee shall be constituted by the Board, as and when required under the applicable Statutes, consisting of such number of directors (executive or non-executive) as the Board thinks fit. The Board shall define the roles & responsibilities of the Risk Management Committee & may delegate monitoring & reviewing of the risk management plan to the Committee & such other functions as it may deem fit.

**(i) Quorum**

The quorum necessary for transacting business at a meeting of the Committee shall be either two members or one-third of the members of the Committee, whichever is higher, including at least one Independent Director being present.

A duly convened meeting of the Committee at which the requisite quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

**(ii) Meetings**

The Committee shall meet at least twice annually or as frequently as may be considered necessary by the Chairperson of the Committee. There should not be a gap of more than 210 days between two consecutive meetings.

## 6. ROLES AND RESPONSIBILITIES OF RISK MANAGEMENT COMMITTEE:

The Committee would be the apex body whose responsibilities shall include the following:

- i. To formulate a detailed risk management policy which shall include:
  - Framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability, 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 risk management policy, including evaluating the adequacy of risk management systems;
- iv. To periodically review the risk management 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 Committee shall coordinate its activities with other committees, in instances where there is any overlap with the activities of such committees, as per the framework laid down by the board of directors.

## 7. RISK MANAGEMENT PROCESS:

In order to implement risk strategy, the management shall follow a uniform six-step risk management process:

- Risk Identification
- Risk Assessment
- Risk Prioritization
- Risk Mitigation
- Review & Monitoring

### 7.1 RISK IDENTIFICATION

In order to identify and assess material business risks, the Company defines risks and prepares risk profiles in light of its business plans and strategies. This involves providing an overview of each material risk, assessing the risk level and preparing action plans to address and manage the risk.

- **Internal Risks:**

- *Technological risks:*

The company strongly believes that technological obsolescence is a practical reality. The media and entertainment industry continues to undergo significant technological developments, including the ongoing transition from physical to digital media. Technological.

Technological obsolescence is evaluated on a continual basis and the necessary investments are made to bring in the best of the prevailing technology.

- *Strategic business risks:*

The Company earns revenues by exploiting content that it distributes through various distribution channels. Acquisition of content is an integral part of Company's business. Our ability to successfully acquire content depends on our ability to maintain existing relationships and form new ones, with industry participants. We believe maintaining existing relationships is key to enabling us to continue to secure content and to exploit such content in the future. Further, on front of film production business it depends substantially on consumer tastes or preferences that often change in unpredictable ways. There is no assured way of predicting whether any film will be successful or not. 4 The Company's Board and its business management group have a rich experience within their respective specialized segments, as well as in the entertainment industry and have benefited from long-standing relationships with certain industry participants in the past, The Company believes that, our management team possesses an in-depth understanding of the Indian film industry, content and content exploitation, and is therefore well-positioned to focus on the continued expansion and strengthening of our Content Library and distribution network. Further, the Company has established its presence in various diversified distribution platforms to minimize and mitigate its risks and attempts to De-risk its business model by acquiring large number of titles, multiple genres and types of content, width and depth of distribution platforms.

- *Legal and regulatory compliance risks:*

Legal risk is the risk in which the Company is exposed to legal actions. As the Company is governed by various laws and the Company has to do its business within four walls of law, where the Company is exposed to legal risk exposure.

Further, the Company is required to avail various approvals, licenses, registrations and permissions for its business activities and each regulatory authority may impose its own requirements or delay or refuse to grant approval.

Company avails services of experienced team of professionals, advisors who focus on evaluating the risks involved in a contract, ascertaining our responsibilities under the applicable law of the contract, restricting our liabilities under the contract, and covering the risks involved so that they can ensure adherence to all contractual commitments

Cost risks:  
At organizational level, cost optimization and cost reduction initiatives are implemented and are closely monitored. The Company controls costs through budgetary mechanism and its review against actual performance with the key objective of aligning them to the financial model. The focus on these initiatives has inculcated across the organization the importance of cost reduction and control.

- *Human resource risks:*

Human Resources Development (HRD) Department will add value to all the divisions of the 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 minimized and contained by following a policy of providing equal opportunity to every employee, inculcate in them a sense of belonging and commitment 5 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.

- *Risks arising from exchange rate fluctuations:*

The company incurs expenditure and earn revenue denominated in foreign currencies in the course of its operations when acquiring or monetising our content and in respect of overseas market. Any fluctuation of the Indian Rupee against the currency in which we have an exposure may increase the Indian Rupee costs to us of our expenditure or may reduce the revenue to us. The Company has limited foreign currency exposure and has a natural hedge to some extent. However, beyond the natural hedge, the risk can be measured through the net open position i.e. the difference between un-hedged outstanding receipt and payments.

• **External Risks:**

- *Illegal use and exploitation of Company's content and/or intellectual property rights and inadequate judicial systems and remedies:*

Our industry is highly dependent on maintenance of intellectual property rights in the entertainment content. Piracy, namely the infringement of exclusive rights in creative works, is rampant globally, and can only be minimized by speedy and cost effective judicial remedies which may not always be available.

The Company has in place independent Department who manages anti-piracy activities in regards to the illegal usage of the contents of the Company, but notwithstanding the anti-piracy measures, there can be no assurance of prevention of piracy of the content.

- *Economic Environment and Market conditions Risks:*

Company's performance and growth are dependent on the health of the Indian economy and more generally the global economy. The economy could be adversely affected by various factors such as political or regulatory action, including adverse changes in liberalization policies, social disturbances, terrorist attacks and other acts of violence or war, natural calamities, interest rates, commodity and energy prices and various other factors. In recent years, India has been following a course of economic liberalization and our business could be significantly influenced by economic policies adopted by the Government. Since 1991, successive Indian Governments have pursued policies of economic liberalization and financial sector reforms. The Government has at various times announced its general intention to continue India's current economic and financial liberalization and deregulation policies. However, protests against privatizations and other factors could slow the pace of liberalization and deregulation. The rate of economic liberalization could change, and specific laws and policies affecting foreign investment, currency exchange rates and other matters affecting investment in India could change as well.

- *Competition risks:*

The Company may face competition from both new as well as existing players in the films and television media Segments and this may increase demand for the limited content pool, which may in turn contribute to an increase in costs for content acquisition. Further, the prices of commercially compelling content may rise disproportionately due to scarce supply of such

content.

- *Any downgrading of India's debt rating by an independent agency may harm our ability to raise debt financing:*

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely affect the Company's ability to raise additional financing and the interest rates and other commercial terms at which such additional financing is available. This could adversely affect our business prospects, results of operations and financial condition and the price of our Equity Shares.

## **7.2 RISK ASSESSMENT,**

To meet the objectives of the Company, the Management shall consider expected and unexpected events, pursuant to which it is imperative to make effective strategies for exploiting opportunities. Accordingly, the Company has identified key risks and developed plans for managing the same.

## **7.3 RISK PRIORITIZATION,**

Risk prioritization is an integral part of the Company's risk management process and is undertaken to ensure that management attention and resources are focused on risks that may have the most significant impact on the achievement of the Company's objectives.

After identification and assessment, risks are prioritized based on a structured evaluation of their likelihood of occurrence and potential impact on the Company's business, financial performance, operations, legal standing, reputation and strategic objectives.

The prioritization process includes the following:

- Each identified risk is evaluated using predefined qualitative and/or quantitative criteria for impact and probability.
- Risks are categorized into High, Medium, or Low priority based on their overall risk rating.
- Risks that exceed the Company's approved risk appetite or tolerance levels are classified as High Priority and are subject to immediate management attention, mitigation planning and periodic reporting to senior management and the Board, as applicable.
- Medium Priority risks are monitored closely and managed through appropriate internal controls and mitigation measures.
- Low Priority risks are accepted or managed through routine controls and are reviewed periodically to ensure they remain within acceptable limits.

The prioritization of risks is reviewed on a regular basis and updated whenever there are significant changes in business strategy, operations, regulatory environment, market conditions or upon the occurrence of any major risk event.

This structured approach enables the Company to proactively manage risks, allocate resources efficiently and strengthen its overall risk governance framework.

## **7.4 RISK MITIGATION,**

The mitigation measures are implemented based on the nature and priority of risks, including:

- Strengthening internal controls and operational safeguards.
- Implementing cybersecurity measures and IT protocols.

- Developing business continuity plans.
- Conducting employee training and awareness programs.
- Monitoring compliance with legal, regulatory, and contractual obligations.

To mitigate the risks, the mitigation measures are deployed, as and when the risks arise in the Company.

## **7.5 REVIEW AND MONITORING,**

The Company recognizes that risk management is a continuous and dynamic process. Accordingly, all identified and prioritized risks are subject to ongoing review and monitoring to ensure that risk exposures remain within acceptable limits and that mitigation measures are effective.

The review and monitoring process includes:

- Regular oversight by the Risk Management Committee.
- Half-yearly risk reviews and reporting to the Board or relevant Committees.
- Monitoring of corrective actions and updates to risk assessments and priorities.
- Reviews triggered by significant internal or external events, such as changes in strategy, regulatory environment, market conditions, technology, or major incidents.

The Company undertakes formal risk reviews:

- On half-yearly basis, and
- On the occurrence of significant internal or external events, including changes in business strategy, regulatory environment, economic conditions, technological developments or after any major incident.

Based on the outcomes of review and monitoring, risk assessments and priorities are updated and corrective actions are initiated wherever necessary to strengthen the Company's risk management framework.

This ongoing review and monitoring mechanism ensures that the Company remains responsive to evolving risks and supports informed decision-making at all levels of the organization.

## **8. RESPONSIBILITY, COMPLIANCE AND CONTROL:**

Generally, every staff member of the Organization is responsible for the effective management of risk including the identification of potential risks. The Head of Departments and other Senior Management Persons in the Company at organizational levels under the guidance of the Board / Audit Committee are responsible for the development of risk mitigation plans and the implementation of risk reduction strategies. Risk management processes should be integrated with other planning processes and management activities. The Company has established a compliance management system in the organisation and the Company Secretary of the Company being the focal point will get the quarterly compliance reports from functional heads and place it before the Board for its perusal.

## **9. GENERAL:**

- On recommendation of Risk Management Committee, the Audit Committee and Board of Directors shall have the power to modify, amend or replace this Policy in part or full as may be

thought fit from time to time in their absolute discretion as far as it is not in contravention of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- In case of any inconsistency between any of the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 / the Companies Act, 2013 and this Policy or in case of any omission of any of the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015/ the Companies Act, 2013 in this Policy, the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 / the Companies Act, 2013, as amended shall prevail or be applicable, as the case may be.
- Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the Listing Regulations or any other applicable law or regulation to the extent applicable to the Company.
- The risks outlined above are not exhaustive and are for information purposes only. Management is not an expert in assessment of risk factors, risk mitigation measures and in having a complete / proper management's perception of risks. The Management cautions the readers to exercise their own judgment in assessing various risks associated with the Company.

#### **10. APPROVAL AND AMENDMENT:**

The Policy is approved by the Board in the meeting held on February 13, 2026 and on recommendation of the Risk Management Policy, the change in the Policy shall be approved by the Board of the Company. The Board shall have the right to withdraw or amend any part of the Policy or the entire Policy, from time to time, and the decision of the Board in this respect shall be final and binding. Any subsequent amendment in the Act or the rules framed thereunder or the SEBI Listing Regulations and in any other laws in this regard shall automatically apply to the Policy.

#### **11. REPORTING:**

- The Risk Management Committee shall report and update the Board half-yearly, on risk-related matters.
- The Annual Report of the Company shall disclose, the composition of the Committee, meetings, attendance, and risk-related disclosures under SEBI Listing Regulations, as may be necessary to comply with the requirement.

#### **12. DISSEMINATION OF POLICY:**

The Risk Management Policy is uploaded on the website of the Company at [www.bn-holdings.com](http://www.bn-holdings.com). The Website Link of the policy is presented in the Annual Report of the Company.