RIGA SUGAR CO. LIMITED

A Subsidiary of Nirani Sugars Limited · CIN: L15421WB1980PLC032970

Registered Office: 14 Netaji Subhas Road, 2nd Floor, P.S. Hare Street, Kolkata – 700 001, West Bengal · www.rigasugar.com

Risk Management Policy

Framed under Sections 134(3)(n) and 177(4)(vii) of the Companies Act, 2013 and Regulation 17(9) read with Regulation 21 of SEBI (LODR) Regulations, 2015

Version	Approved by	Effective date
1.0	The Board of Directors at its meeting held on 13 August 2026	13 August 2026

1. Introduction

Riga Sugar Co. Limited (the "Company") recognises that enterprise risk management is an integral part of good management practice and of sound corporate governance. Section 134(3)(n) of the Companies Act, 2013 (the "Act") requires the Board's Report to contain a statement indicating the development and implementation of a risk management policy for the Company, including the identification therein of the elements of risk which, in the opinion of the Board, may threaten the existence of the Company. Section 177(4)(vii) of the Act requires the Audit Committee to evaluate the internal financial controls and the risk management systems of the Company. Regulation 17(9) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR") requires the Company to lay down procedures to inform the members of the Board about risk assessment and minimisation procedures, and requires the Board to be responsible for framing, implementing and monitoring the risk management plan of the Company.

This Risk Management Policy (the "Policy") sets out the Company's approach to the identification, assessment, monitoring, mitigation and reporting of risk across the organisation, and applies to all functions, units and locations of the Company.

2. Governance of Risk and Applicability of a Risk Management Committee

Regulation 21 of LODR requires the constitution of a Risk Management Committee only by the top 1,000 listed entities determined on the basis of market capitalisation as at the end of the immediately preceding financial year. As the Company does not presently fall within that class, it is not required to constitute a Risk Management Committee; accordingly, the functions of risk oversight shall be discharged by the Board of Directors, with the assistance of the Audit Committee, and the obligations under Regulation 17(9) of LODR shall continue to apply to the Company in full.

If and when the Company falls within the class of entities to which Regulation 21 of LODR applies, the Board shall constitute a Risk Management Committee, which shall comprise a minimum of three members with a majority of them being members of the Board of Directors, including at least one independent director, and shall be chaired by a member of the Board of Directors. Such Committee shall meet at least twice in a year, with a gap of not more than one hundred and eighty days between two consecutive meetings, and the quorum shall be either two members or one-third of the members of the Committee, whichever is higher, including at least one member of the Board of Directors in attendance. Its role and responsibilities shall be as set out in Part D of Schedule II of LODR, and shall include the formulation of a detailed risk management policy covering financial, operational, sectoral, sustainability (particularly ESG-related), information and cyber-

security risks, and the measures for risk mitigation, including systems and processes for internal control of identified risks and a business continuity plan.

3. Objectives

The objectives of this Policy are to embed risk management in the business processes of the Company; to establish an effective mechanism for the identification, analysis, evaluation, treatment, monitoring and reporting of risk; to improve decision-making, planning and the prioritisation of resources; to safeguard the assets, reputation and business continuity of the Company; and to enable compliance with applicable laws and regulations by the adoption of best practices.

4. Roles and Responsibilities

4.1 **Board of Directors:** the ultimate responsibility for risk management vests in the Board. The Board shall frame, implement and monitor the risk management plan, review this Policy and the risk management framework, satisfy itself as to the adequacy of the risk mitigation measures, and include in its report to the members a statement in terms of Section 134(3)(n) of the Act.

4.2 **Audit Committee:** the Audit Committee shall evaluate the internal financial controls and the risk management systems of the Company in terms of Section 177(4)(vii) of the Act and Part C of Schedule II of LODR, and shall report its findings to the Board.

4.3 **Managing Director and Senior Management:** the Board may delegate authority and responsibility for the implementation of the risk management framework to the Managing Director and, through him, to the Senior Management, including the departmental, plant and business-unit heads, who shall be responsible for identifying, assessing and mitigating the risks pertaining to their respective areas and for reporting on them.

4.4 **All employees:** managers at all levels shall create an environment in which the management of risk is accepted as the personal responsibility of every employee, and every employee shall report risks and control weaknesses that come to their notice.

4.5 **Internal auditors:** the internal auditors shall, as part of the internal audit programme approved by the Audit Committee, review the effectiveness of the internal controls designed to mitigate the identified risks and shall report their observations to the Audit Committee.

5. Risk Management Process

The risk management process of the Company comprises the following stages: (i) risk identification, through business planning, functional reviews, audits and incident reporting; (ii) risk analysis, having regard to the likelihood of occurrence and the potential impact; (iii) risk evaluation and prioritisation, so as to determine the risks requiring treatment and the order in which they are to be addressed; (iv) risk treatment; and (v) monitoring, review and reporting to the Audit Committee and the Board.

The options available for the treatment of risk include transfer of the risk (for example, by insurance, hedging or forward contracts), retention of the risk within a defined tolerance, avoidance of the activity giving rise to the risk, reduction of the risk through internal controls and mitigation measures, and sharing of the risk through contractual arrangements.

6. Risk Framework — Key Risks and Mitigation Measures

The following are the principal elements of internal and external risk identified by the Board, together with the measures adopted for their mitigation. This list is illustrative and shall be updated as part of the periodic review of this Policy.

(a) **Business and market risk:** the Company is substantially dependent on the sale of sugar and its by-products and co-products. It is exposed to the availability and pricing of sugarcane, Government control over the sector (including the fair and remunerative price and State advised price of cane, the minimum selling price of sugar, the monthly release mechanism, the ethanol blending programme and export and import policy), the seasonality and cyclicality of the sugar industry, and competition. **Mitigation:** cane development and long-term arrangements with cane growers, diversification into distillery and co-generation products, close and continuous monitoring of the policy and regulatory environment, and planned inventory and sales management.

(b) **Regulatory and compliance risk:** frequent changes in laws, corporate governance and disclosure standards, and dependence on Government policies, subsidies and incentives applicable to the sugar sector. **Mitigation:** engagement of qualified professionals, a compliance management framework with periodic compliance certificates placed before the Board, internal, statutory, cost and secretarial audits, and strict adherence to applicable regulations.

(c) **Operational risk:** dependence on the uninterrupted supply of cane, water, power, steam and fuel; breakdown of plant and machinery; and the hazards inherent in the operation of a sugar, distillery and co-generation complex. **Mitigation:** a defined organisation structure with clear accountability, preventive and planned maintenance, inventory planning, standard operating procedures, and adequate safety and hazardous-material handling measures.

(d) **Geographical and concentration risk:** the manufacturing operations of the Company are concentrated at a single location at Riga, District Sitamarhi, in the State of Bihar, and the Company is therefore exposed to adverse weather, flooding, agro-climatic conditions, law and order situations and regional developments affecting that area. **Mitigation:** insurance cover for assets and business interruption, strategic operational and inventory planning, cane area development across a wider command area, and business continuity planning.

(e) **Credit and counterparty risk:** delay or default in payment by customers and counterparties. **Mitigation:** credit appraisal and exposure limits, payment security mechanisms including advances and letters of credit, and continuous monitoring of receivables and ageing analysis.

(f) **Liquidity and financial risk:** working capital intensity arising from the seasonal nature of operations, cane price arrears, interest rate movements and compliance with lending covenants. **Mitigation:** cash flow forecasting, maintenance of adequate sanctioned limits, monitoring of covenants, and periodic review of the capital structure by the Board.

(g) **Legal risk:** exposure to litigation and legal proceedings arising under the various laws governing the Company and its operations. **Mitigation:** an experienced legal function supported by external counsel, periodic review of the litigation portfolio by the Audit Committee, and adequate provisioning and disclosure.

(h) **Environment, health and safety risk:** increasingly stringent environmental, health and safety laws and standards applicable to sugar, distillery and co-generation operations, including effluent and emission norms. **Mitigation:** maintenance of environmental clearances and consents, effluent treatment and pollution control facilities, periodic monitoring and reporting, and safety training and audits.

(i) **Human resources risk:** attraction and retention of skilled technical and managerial personnel, and industrial relations at the plant. **Mitigation:** competitive compensation, training and development, succession planning for key positions, and structured engagement with workmen and their representatives.

(j) **Information technology and cyber-security risk:** the risk of cyber-attack, data leakage, unauthorised access and failure of information systems. **Mitigation:** information technology systems maintained under regular professional supervision, access controls, periodic back-up and restoration testing, anti-malware and network security controls, and awareness among users.

7. Reporting

The Senior Management shall place before the Audit Committee, and the Audit Committee shall place before the Board, a periodic report on the significant risks identified, their assessment, the mitigation measures adopted and their effectiveness, and any new or emerging risks. The Board's Report shall contain the statement required under Section 134(3)(n) of the Act, and the Corporate Governance Report and the Management Discussion and Analysis forming part of the Annual Report shall contain the disclosures relating to risks and concerns required under Schedule V of LODR.

8. Review and Amendment

This Policy, including the effectiveness of and compliance with the internal controls referred to in it, shall be reviewed by the Board of Directors, taking into account the views of the Managing Director and of the Audit Committee, from time to time and in any event at least once in every two years. In the event of any conflict between this Policy and the provisions of the Act, LODR or any other applicable statute, the statutory provisions shall prevail, and any subsequent amendment or modification in the Act or LODR shall automatically apply to this Policy.

Document control

Approved by the Board of Directors of Riga Sugar Co. Limited at its meeting held on 13 August 2026 and effective from 13 August 2026. Version 1.0. Owner / custodian: Company Secretary & Compliance Officer. Review: Reviewed by the Board of Directors, with the assistance of the Audit Committee, at least once in every two years. This document is placed on the Company's website at www.rigasugar.com. In the event of any conflict between this document and the provisions of any applicable statute, rules, regulations or guidelines, the statutory provisions shall prevail.

For Riga Sugar Co. Limited

Company Secretary & Compliance Officer