



GK Energy Limited

(Formerly known as GK Energy Private Limited, GK Energy Marketers Private Limited)

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Sr. No. 20/2, Paschimnagri, Kothrud, Pune, Maharashtra- 411038

Corporate Identity Number: L74900PN2008PTC132926

Website: www.gkenergy.in

RISK MANAGEMENT POLICY

Version 1.0 (approved and adopted in the meeting of Board of Directors held on 3rd December, 2024)



RISK MANAGEMENT POLICY

1. PREAMBLE

Section 134(3)(n) of the Companies Act, 2013 requires that the report by the Board of Directors laid at the general meeting shall include a statement on the development and implementation of a risk management policy for the company. Section 177(4)(vii) of the Companies Act, 2013 provides that Audit Committee shall evaluate the risk management systems of the company. The amended Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) provides that top 1000 listed companies by market capitalization shall constitute a Risk Management Committee (RMC) to monitor and review the risk management plan.

Progressive organizations need to take new initiatives, which often come along with certain risks. Additionally, the increasingly dynamic external environment presents risks to the existing business. To navigate through the likely business risks, **GK Energy Limited** (the “Company”) has formulated a structured risk management process. The key objectives of this Risk Management Policy are:

- a) Identification and categorization of potential internal and external risks
- b) Assessment and measurement of the identified risk
- c) Mitigation plans for the risks
- d) Report identified risks, their assessment, mitigation plan, risk appetite to the Risk Management Committee (RMC) and other relevant stakeholders

The Risk Management Policy aims to cover, amongst others, the following key areas/risks which will form part of the Risk Register:

2. OBJECTIVE:

The objective of Risk Management at GK Energy Limited 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.

Strategic Objectives:

1. Providing a framework that enables future activities to take place in a consistent & controlled manner.
2. Improving decision making, planning and prioritization by comprehensive and structured understanding of business activities, volatility and opportunities/ threats.
3. Contributing towards more efficient use/ allocation of the resources within the organization.
4. Protecting and enhancing assets and company image.
5. Reducing volatility in various areas of the business.
6. Developing and supporting people and knowledge base of the organization.
7. Optimizing operational efficiency.



3. RISK PROFILE

The Company considers that any risk that could have a material impact on its business should be included in its risk profile. The risk profile of the Company can be categorized as follows:

- Market-related
- Financial Reporting
- Operational
- Environmental
- Human Capital
- Sustainability
- Occupational Health & Safety
- Political
- Strategic
- Ethical Conduct
- Economic Cycle / Marketing
- Reputation
- Legal and compliance

4. RISK MITIGATION

To ensure that the above risks are mitigated, the Company will strive to:

- Involve all functions in the overall risk identification and mitigation exercise;
- Have an objective framework to categorize risks and define the level at which it should be addressed;
- Link the risk management process to the strategic planning and internal audit process;
- Promote a culture of calculated risk taking to identify new initiatives coupled with thoughtful risk mitigation approach;
- Formalize a transparent risk information system across the organization with structured templates.

5. RISK MANAGEMENT COMMITTEE AND THE GOVERNANCE FRAMEWORK

i. BOARD OF DIRECTORS

The Board shall be responsible for framing, implementing and monitoring the risk management plan for the company. The Board shall also disclose in the Board's Report the progress regarding development and implementation of a Risk Management Policy



for the Company, including identification therein of elements of risk, if any, which may threaten the existence of the Company.

ii. **AUDIT COMMITTEE**

In terms of provisions of Section 177(4)(vii) of the Companies Act, 2013 the Audit Committee shall evaluate the adequacy and effectiveness risk management systems of the company.

iii. **RISK MANAGEMENT COMMITTEE**

The Risk Management Committee shall periodically review and evaluate the Risk Management Policy and practices for risk assessment and mitigation and oversee implementation of the Risk Management Policy.

6. RISK CONTROLLING

Risk controlling involves monitoring the implementation and progress of agreed actions, re-evaluation, and compliance with decisions. The cost of controlling a risk may be taken into account in determining what is reasonably practicable and should not be used as a reason for doing nothing.

In order to ensure that the implemented control measures remain effective, the following points should be considered:

- Clear accountability of responsibilities
- Effective communication of risk controls
- Regular review of proposed procedures
- Up to date training
- Up to date risk information and follow-up of changes in operating conditions

The Company acknowledges that despite best efforts by all concerned to manage risks there may be situations which may need to be managed as a crisis by the top management.



7. AMENDMENTS

The Board shall review this Policy from time to time to ensure it remains consistent with the Board's objectives and responsibilities, and in accordance with applicable laws.

Any change in the Policy shall be approved by the Board of Directors or any of its Committees (as may be authorized by the Board of Directors in this regard). The Board of Directors or any of its authorized Committees shall have the right to withdraw and / or amend any part of this Policy or the entire Policy, at any time, as it deems fit, or from time to time, and the decision of the Board or its Committee in this respect shall be final and binding. Any subsequent amendment / modification in the Listing Regulations and / or any other laws in this regard shall automatically apply to this Policy.
