



GUJARAT INDUSTRIES POWER COMPANY LIMITED

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RISK MANAGEMENT POLICY

1. INTRODUCTION

As per the Regulation 17(9) (a) & (b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), read with Listing Regulations Second Amendment, 2021, the listed entity shall lay down procedures to inform members of Board of Directors about risk assessment and minimization procedures. The Board of Directors shall be responsible for framing, implementing and monitoring the risk management plan for the listed entity. Section 134(3)(n) of the Companies Act, 2013 ("Act") states that there shall be attached to statements (i.e. 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".

2. PURPOSE

The Risk Management Policy of Gujarat Industries Power Company limited outlines the risk management process being followed by the Company and set outs the responsibilities of the Board, Risk Management Committee, Internal Risk Management Committee, Senior Management and others within the Company in relation to risk management.



3. PROCESS AND PROCEDURE

The risk management process consists of the following main elements:

Identify	:	Identify a risk and document the risks captured by the risk Register owner.
Assess	:	The primary goal is to document the net effect of all identified risks, by assessing: Likelihood of risks; Impact of each risk; Proximity of risk; and Prioritisation based on scales.
Plan	:	Preparation of management responses to mitigate the risks.
Implement	:	Risk responses are actioned.
Monitor and Review	:	Monitor and review the performance of the risk management system and changes to business initiatives.
Communicate	:	Provide regular reports to Internal Risk Management Committee / Audit Committee / Risk Management Committee / Board at regular intervals.

The Risk Management Committees were constituted by the Board at its 309th Meeting held on 07th August, 2021. The Risk Management Committee consists of the Board of Directors and the Internal Risk Management Committee consists of Senior Officials of the Company, which regularly discuss and review the various risks and its mitigation plans by the respective departments.

The Report defines the Owner of the Risk against the identified risk, level of risk (High, Moderate, Low), steps/ measures taken/ to be taken to mitigate/minimize the risk and level of risk after taking such actions. The said Report is submitted to the Audit Committee/ Board for their review and discussion.



4. RISK MANAGEMENT COMMITTEE

The Risk Management Committee shall review and monitor the various risks concerning the Company and its mitigation plan and such other functions as required under the Listing Regulations or other applicable laws, as amended from time to time.

The Risk Management Committee shall meet in compliance with the SEBI Listing Regulations, as amended from time to time.

5. ROLE OF RISK MANAGEMENT COMMITTEE

The role of the Risk Management Committee shall, inter alia, include the following:

- (1) To formulate a detailed Risk Management Policy which shall include:
 - (a) A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (i.e. Environment, Social & Governance (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.
- (2) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- (3) To monitor and oversee implementation of the Risk Management Policy, including evaluating the adequacy of risk management systems;
- (4) To periodically review the Risk Management Policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- (5) To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken;

The Risk Management 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.



6. RESPONSIBILITY

The Risk Management Committee has responsibility to review and report to the Board that:

- (a) the Committee has, at least once in two years, reviewed the risk management policy / framework to satisfy itself that all potential risks are identified;
- (b) risk management plan / processes have been designed properly and implemented effectively to manage the identified risks;
- (c) such risk management plan / processes are reviewed and monitored regularly; and
- (d) proper remedial action is undertaken to redress areas of potential risk.

7. AMENDMENT IN LAW

Any subsequent amendment / modification in the Listing Regulations / Act in this regard shall automatically apply to this Policy. The same shall be added/amended/ modified from time to time by the Board of Directors of the Company with due procedure.

(Note: Pursuant to Provisions of Regulation 21 and Part D of Schedule II of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015; as recommended by the Risk Management Committee at its Meeting held on Monday, the 22nd May, 2023; the Board of Directors of the Company had reviewed the Risk Management Policy at its Meeting held on Monday, the 29th May, 2023.)

