RISK MANAGEMENT POLICY

(Approved by the Board of Directors of G.K. Winding Wires Limited)

1. Purpose and Objective

The purpose of this **Risk Management Policy** is to establish a structured and systematic approach to identifying, assessing, monitoring, and managing potential risks that may affect the achievement of business objectives of **G.K. Winding Wires Limited** ("the Company"). The objective is to ensure business continuity, safeguard assets, protect the interests of stakeholders, and comply with applicable laws and regulations.

2. Legal Framework

This Policy is formulated in compliance with:

- **Section 134(3)(n)** of the **Companies Act, 2013** and the relevant rules thereunder;
- The requirements of good corporate governance; and
- The principles of prudent management as applicable to public limited companies.

3. Scope and Applicability

This Policy applies to all functions, divisions, units, departments, and subsidiaries (if any) of the Company and covers all categories of risks that may impact the Company's business, financial position, reputation, or long-term sustainability.

It applies to:

- Board of Directors
- Key Managerial Personnel
- Senior Management
- Department Heads and Employees

4. Risk Philosophy

The Company recognizes that risk is an inherent component of business and that effective risk management is vital to achieve its strategic and operational objectives. The Company shall strive to balance risk and reward by ensuring that:

- All significant risks are identified and evaluated;
- Appropriate risk response and mitigation plans are implemented; and
- Regular review and monitoring are carried out by management and the Board.

5. Risk Management Framework

The Company's Risk Management Framework includes the following key elements:

(a) Risk Identification

Identify internal and external risks that could adversely affect operations, financial results, reputation, or compliance status. Typical risks include:

- Strategic and business risks
- Operational and process risks
- Financial risks (liquidity, credit, interest rate, etc.)
- Legal and compliance risks
- Environmental, health, and safety risks
- Technology and cybersecurity risks
- Human resource and industrial relations risks
- Supply chain and raw material risks

(b) Risk Assessment

Each identified risk shall be evaluated on the basis of:

- **Likelihood (probability)** of occurrence; and
- **Impact** (severity) on the Company's objectives.

A **Risk Matrix** may be used to categorize risks as **High / Medium / Low**.

(c) Risk Mitigation

The Company will develop and implement appropriate strategies to manage identified risks, including:

- Avoidance (stopping the risky activity),
- Reduction (implementing controls to reduce likelihood/impact),
- Sharing (insurance, outsourcing), or
- Acceptance (where the cost of mitigation exceeds benefit).

Each risk shall have a **responsible owner** and an **action plan** with defined timelines.

(d) Monitoring and Reporting

All departments shall continuously monitor their risk areas and report significant developments to senior management. The **Audit Committee** and **Board of Directors** shall review:

- Key risks and mitigation measures;
- Emerging risk trends; and
- Status of internal control effectiveness.

Periodic risk reports shall be prepared by the **Board of Directors or KMP** for submission to the Audit Committee.

6. Roles and Responsibilities

Level	Responsibility
Board of Directors	Oversee and approve the overall risk management framework; ensure integration of risk management into strategic and business planning.
Audit Committee	Evaluate the adequacy of the risk management system and review significant risk exposures and mitigation plans periodically.
Managing Director / CEO	Implement risk policies, allocate responsibilities, and ensure effective internal controls.
Chief Financial Officer / Company Secretary	Facilitate risk identification, maintain risk registers, and coordinate risk review meetings.
Functional / Department Heads	Identify and manage operational risks in their areas and ensure compliance with mitigation plans.
All Employees	Be aware of risks in their work areas and promptly report potential risk events or non-compliances.

7. Integration with Internal Controls

Risk management is integrated with the Company's internal control systems. The internal audit function provides independent assurance on the adequacy and effectiveness of risk controls and mitigation measures.

8. Communication and Awareness

The Company shall promote awareness of risk management through training programs, internal circulars, and inclusion of risk awareness in departmental meetings.

9. Review and Revision

This Policy shall be reviewed at least **once every two years**, or earlier if required due to:

- Significant changes in business or regulatory environment; or
- Identification of new key risks.

Amendments to this Policy shall be approved by the **Board of Directors** upon recommendation of the **Audit Committee**.

10. Disclosure

A statement on risk management and internal control systems shall be included in the **Board's Report** of the Company as required under Section 134(3)(n) of the Companies Act, 2013.

11. Effective Date

This Policy shall come into effect from the date of its approval by the Board of Directors and shall remain in force unless modified or replaced by a subsequent resolution.