RISK MANAGEMENT POLICY

(Adopted by the Board of Directors)

1. PREAMBLE AND LEGAL FRAMEWORK

Pragati Infra Solutions Private Limited (the "Company") recognises that risk is inherent in every business activity. This Risk Management Policy (the "Policy") sets out the framework by which the Company identifies, assesses, mitigates, monitors and reports risks that may affect its business, financial position or continuity.

The Policy has been framed in line with the following provisions:

- Section 134(3)(n) of the Companies Act, 2013, which requires the Board's Report to include a statement indicating development and implementation of a risk management policy for the Company, including identification of elements of risk, if any, which in the opinion of the Board may threaten the existence of the Company;
- Section 134(5)(e) and (f) and Section 149(8) read with Schedule IV (where applicable) and Section 177(4)(vii) (applicable to companies required to constitute an Audit Committee), as good-governance reference points; and
- Rule 8(5)(viii) of the Companies (Accounts) Rules, 2014 on the adequacy of internal financial controls with reference to the financial statements.

Being an unlisted private company, the Company is not required to constitute a Risk Management Committee under Regulation 21 of the SEBI (LODR) Regulations, 2015. The Board has nevertheless adopted this Policy to institutionalise sound risk practices and to support the disclosure required under Section 134(3)(n).

2. OBJECTIVES

- To identify internal and external risks specific to the Company, including financial, operational, sectoral, legal, compliance, information, cyber and reputational risks.
- To put in place measures for risk mitigation, including systems and processes for internal control of identified risks.
- To protect the Company's assets, earnings and stakeholder interests and ensure business continuity.
- To promote a culture of risk awareness and timely escalation across the Company.
- To ensure compliance with applicable laws, regulations and the Secretarial Standards (SS-1 and SS-2).

3. SCOPE AND APPLICABILITY

The Policy applies to all functions, activities, projects, contracts and transactions of the Company, and to all Directors, officers, employees and persons acting on behalf of the Company.

4. RISK GOVERNANCE – ROLES AND RESPONSIBILITIES

Authority	Responsibility
Board of Directors	Approves the Policy; reviews the risk assessment at least once every financial year; considers whether any element of risk may threaten the existence of the Company; and makes the disclosure in the Board's Report under Section 134(3)(n).
Directors / Risk Owner(s) designated by the Board	Identify and assess risks in their areas; maintain the Risk Register; implement mitigation plans; escalate material risks to the Board promptly.
Statutory Auditors	Report on internal financial controls where applicable and on any fraud under Section 143(12), which forms part of the risk reporting.
Employees and officers	Follow internal controls and procedures; report any risk event, loss or near-miss to the Risk Owner without delay.

5. CATEGORIES OF RISK

Category	Illustrative risks considered
Strategic and business risk	Market and demand conditions, concentration of customers or projects, competition, changes in business model.
Operational risk	Project delays and cost overruns, contractor and vendor dependence, process failures, loss of key personnel, safety and site risks.
Financial and liquidity risk	Cash-flow mismatch, credit and counterparty default, interest-rate movement, borrowing covenants, inadequate internal financial controls.
Legal, regulatory and compliance risk	Non-compliance with the Companies Act, 2013, tax, labour, environmental, POSH and sector laws; delay in statutory filings; litigation.
Information technology and data risk	Cyber-attack, data loss or breach, system failure, misuse of confidential information.
Reputational and ethical risk	Fraud, conflict of interest, non-arm's-length related party dealings, adverse publicity.
External and force majeure risk	Natural calamities, pandemics, policy changes, economic downturn.

6. RISK MANAGEMENT PROCESS

Step 1 – Risk identification. Risks are identified through periodic review of operations, contracts, financial results, audit observations and changes in law, and are recorded in a Risk Register.

Step 2 – Risk assessment and rating. Each risk is rated on likelihood and impact, as set out below.

Rating	Likelihood × Impact	Action required
Low	Unlikely and minor impact	Manage through routine controls; review annually.
Medium	Possible or moderate impact	Risk Owner prepares a mitigation plan; reviewed half-yearly.
High	Likely or major impact	Immediate mitigation plan; reported to the Board at the next meeting.
Critical	Could threaten the existence or going concern of the Company	Escalated to the Board at once; Board decides on corrective action.

Step 3 – Risk mitigation. The Company may avoid, reduce, transfer (for example, through insurance or contractual terms) or accept a risk, depending on its rating and the Company's risk appetite.

Step 4 – Monitoring and review. Risk Owners monitor identified risks and the effectiveness of controls and update the Risk Register at least annually and whenever a significant event occurs.

Step 5 – Reporting. The outcome of the risk review is placed before the Board at least once a year, and material risks are reported as and when they arise.

7. RISK APPETITE

The Company follows a prudent approach. It does not accept risks that may lead to breach of law, loss of its assets beyond tolerable limits, or threaten its going-concern status. Decisions on new projects, borrowings, guarantees, investments and related party transactions shall be taken in compliance with Sections 179, 180, 185, 186 and 188 of the Companies Act, 2013, as applicable.

8. BUSINESS CONTINUITY AND INTERNAL CONTROLS

- The Company shall maintain adequate internal financial controls commensurate with its size and nature of business, including authorisation limits, segregation of duties, maintenance of books of account under Section 128 and safeguarding of assets.
- Key records, data and contracts shall be backed up and access-controlled.
- Any fraud or suspected fraud shall be reported to the Board, and where required, to the Central Government under Section 143(12).

9. DISCLOSURE

The Board's Report shall include a statement on the development and implementation of this Policy, indicating the elements of risk, if any, which in the opinion of the Board may threaten the existence of the Company, as required by Section 134(3)(n) of the Companies Act, 2013.

10. REVIEW AND AMENDMENT

The Board shall review this Policy at least once a year, or earlier upon any change in law or in the Company's business, and may amend it from time to time. In case of any inconsistency between this Policy and any law for the time being in force, the law shall prevail and the Policy shall be deemed amended to that extent.

For Pragati Infra Solutions Private Limited

SD/- **SD/-**

Ramdhan Yadav
Director (DIN: 06366150)

Shubhendra Mittal
Director (DIN: 01016267)

Date: 27-06-2025

Place: Gurgaon