



CAPACIT 'E INFRAPROJECTS LIMITED

Risk Management Policy

&

Procedures

INDEX

S.no.	Particulars	Pages
1.	Introduction	1
2.	Policy Objective	4
3.	Risk Governance Structure	4
4.	Risk Management Strategy	4-5
5.	Risk Management Framework	5-8
6.	Policy Review	8

❖ Introduction

Oxford Dictionary defines the term “**risk**” as *a chance or possibility of danger, loss, injury or other adverse consequences*.

Risk management is attempting to identify and then manage threats that could severely impact or bring down the organization in terms of turnover, market share, goodwill, profitability, competition, technology obsolescence, investments, environment, human resources, and such other factors.

Section 134(3)(n) of the Companies Act, 2013 requires the Board of Directors to include in its report a statement indicating the 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.

Further, pursuant to Regulation 17(9) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR”), listed entities are required to lay down procedures to inform the Board of Directors about risk assessment and minimization procedures and to make the Board responsible for framing, implementing and monitoring the risk management plan of the Company.

In addition, Regulation 21 of the LODR requires listed entities to constitute a Risk Management Committee which shall assist the Board in formulating and monitoring the risk management framework and policy of the Company.

Accordingly, the Board of Directors (“Board”) of Capacit’e Infraprojects Limited (“Company”) has adopted this Risk Management Policy (“Policy”) to establish a structured framework for identification, assessment, mitigation and monitoring of risks in order to safeguard the Company’s business objectives and stakeholder interests.

This revised policy is adopted by the Board of Directors on the recommendation of the Risk Management Committee on March 25, 2026.

❖ **Policy Objective:**

The primary objectives of this policy are:

1. To identify and assess risks impacting Company's Business through systematic risk management process.
2. To formulate and maintain an effective Risk Management Policy including measures for risk minimization and optimization
3. To ensure effective implementation of the policy and periodic monitoring and reporting of risk event and resultant impact if any.
4. To ensure protection of stakeholder value and long-term sustainability of the Company.

❖ **Risk Governance Structure**

The Board of Directors shall have the overall responsibility for oversight of the Risk Management Framework of the Company.

The Risk Management Committee shall assist the Board in reviewing, evaluating and monitoring key risks affecting the Company and effectiveness of risk mitigation measures.

Functional heads shall be responsible for identification, assessment and management of risks within their respective areas of operation and shall periodically report significant risks to the Risk Management Committee.

❖ **Risk Management Strategy:**

The Company recognizes that risk is an integral and unavoidable component of business operations and is committed to managing such risks in a proactive and effective manner.

While all Risks cannot be eliminated, they can be managed through appropriate strategies, which may include the following:

- a. Risk Transfer: Assigned to another party, who is willing to take risk like an Insurer.
- b. Risk Reduction: Reduced, by having good internal controls and operational Safeguards;
- c. Risk Avoidance: Avoided, by not entering into risky businesses having acceptable level of risk;

- d. Risk Retention: accepting certain risks where the cost of mitigation may outweigh the potential impact or where the Company anticipates higher returns by assuming such risks, and;
- e. Risk Sharing: sharing the risk with other parties through partnerships, joint ventures or contractual arrangements.

❖ **Risk Management Framework:**

The Company shall establish and maintain a Risk Management Framework comprising Risk Identification, Risk Assessment, Risk Management and Risk Monitoring, at various levels of the organization, viz., Enterprise level; Division level; Business Unit level; Subsidiary and Joint Venture level. All these components are interrelated and drive the Enterprise Risk Management Framework.

The Company shall define and periodically review its risk appetite to ensure that risks undertaken are aligned with the Company's strategic objectives, financial capacity and overall risk management framework.

The Objectives of the Company can be classified into following categories:

○ **Strategic:**

- ✓ Organizational Growth;
- ✓ Comprehensive range of project verticals;
- ✓ Sustenance and Growth of Strong professional relationships;
- ✓ Expansion of existing markets share and penetrating new geographic markets;
- ✓ Enhancement of industry expertise;
- ✓ Strengthening capabilities through technology alliances and acquisitions.

○ **Operational:**

- ✓ Consistent Revenue growth;
- ✓ Sustainable profitability;
- ✓ Effective and timely execution of projects;
- ✓ Continuous Innovations;
- ✓ Attracting and retaining quality technical professionals.

○ **Reporting:**

- ✓ Maintain high standards of Corporate Governance.

- **Compliance:**

- ✓ Ensure adherence to applicable policies, procedures, laws, rules, regulations and standards.

The Risk Management Framework focuses on three key elements:

(1) Risk Assessment;

(2) Risk Management;

(3) Risk Monitoring

RISK ASSESSMENT

Risks are analyzed by considering their likelihood and potential impact, as a basis for determining how such should be managed.

Risk Assessment involves a detailed evaluation of internal and external risks, including potential threats, vulnerabilities and the resultant exposure to risks that may affect the achievement of the Company's objectives.

To meet the stated objectives, appropriate strategies are developed to manage such risk while also identifying opportunities for business growth. As a part of this, key risks are identified and plans are formulated to manage, mitigate or monitor such risk.

RISK MANAGEMENT AND RISK MONITORING

In the management of Risk, the probability and potential impact of risks are assessed based on available data and information and appropriate risk treatments are implemented.

The Company periodically reviews risk in the following areas including but not limited to:

- (i) Economic Environment and Market conditions;
- (ii) Fluctuations in Foreign Exchange;
- (iii) Political Environment;
- (iv) Competition;

- (v) Revenue Concentration;
- (vi) Inflation and Cost Structure;
- (vii) Technological Obsolescence;
- (viii) Financial Reporting;
- (ix) Legal;
- (x) Compliance with Local Laws;
- (xi) Project Management, Contractual / arbitration risks, Project execution and cost overrun risks
- (xii) Environmental conditions and changes;
- (xiii) Human Resource Management;
- (xiv) Sectoral and industry-related risks;
- (xv) Sustainability risks including Environmental, Social and Governance (ESG) risks; and,
- (xvi) Information technology, data protection and cyber security risks

The Company shall also monitor emerging risks arising from technological developments, regulatory changes and evolving business environments.

The Company shall maintain a Risk Register capturing key risks identified across the organization, their likelihood and potential impact, mitigation measures and the respective risk owners. The Risk Register shall be periodically reviewed by the Risk Management Committee to ensure effective monitoring and management of risks.

Risk Management Measures adopted in general by the Company:

The Company has adopted various measures to mitigate the risk arising out of various areas described above including but not limited to the following:

- ✓ A well-defined Organization Structure.
- ✓ Defined Flow of information to avoid any conflict or communication gap.
- ✓ Hierarchical support personnel to avoid work interruption in case of absence or non-availability of functional heads.
- ✓ Financial planning through detailed Annual Business Plans.
- ✓ Detailed discussion and analysis of periodic budgets
- ✓ Cash management services to avoid any loss of interest on collections;

- ✓ Measures to protect loss in Foreign Exchange transactions due to undue fluctuations in rates etc.
- ✓ Systems for assessment of creditworthiness of existing and potential contractors, sub-contractors, dealers, vendors and end-users.
- ✓ Provision for bad and doubtful debts and recovery following mechanism.
- ✓ Procurements of construction materials from diversified sources at competitive prices.
- ✓ Alternative sourcing arrangements to ensure uninterrupted supply of raw materials.
- ✓ Documented recruitment policy and Well-defined appraisal system.
- ✓ Employees training and development programs.
- ✓ Mechanism for Redressal of Labour grievances through negotiations and conciliation.
- ✓ Employees welfare measures including ESI, EPF, Gratuity Schemes
- ✓ Vigil Mechanism Policy/ Whistle Blower Policy).
- ✓ Insurance coverage of Fixed Assets with periodical review of adequacy and risks covered.
- ✓ Usage of Licensed software, IT related and regular maintenance and upgradation of IT systems with appropriate access control to ensure data integrity and cyber security.
- ✓ Establishment and periodic review of Business Continuity Plan (BCP) and Disaster Recovery mechanisms to ensure continuity of critical business operations in the event of disruptions such as natural disasters, system failures, cyber incidents or other unforeseen events.
- ✓ Vetting and review of legal and contractual documents by internal and external legal experts.
- ✓ Internal control systems to detect, prevent and address fraud.

❖ **Policy Review**

This Policy shall be reviewed by the Risk Management Committee at least once in two years or earlier as may be required and the Committee shall monitor the implementation of the Risk Management Framework and report the same to the Board of Directors.