



VISHNU PRAKASH R PUNGLIA LIMITED

ENGINEER, CONTRACTOR & DESIGNER

An ISO 9001: 2015 Certified Company

RISK MANAGEMENT POLICY

INTRODUCTION:

Risk is an integral and an unavoidable component of any business and in today's challenging and competitive environment, strategy for mitigating inherent risks to accomplish the growth plans of the business is imperative.

Vishnu Prakash R Punglia Limited ("VPRPL" or "the Company") believes that systematic risk management ensures effective navigation to achieve business objectives and enable sustainable growth in a volatile and complex environment. The Company's risk management policy has been designed to identify, monitor and minimise the adverse impact of Economic, operational, financial and regulatory risks faced by it. The Company understands that its ability to identify and address all risks is utmost important to achieve the goals of the Company.

The Policy is formulated in compliance with Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") and provisions of the Companies Act, 2013 ("the Act"), which requires the Company to lay down procedures about risk assessment and risk minimization.

The Board of Directors of the Company in its meeting held on February 03, 2025 has approved this "RISK MANAGEMENT POLICY" and is effective from same date.

RISK MANAGEMENT COMMITTEE:

The Board has constituted the "Risk Management Committee" and it is in line with the requirements of the Listing Regulations. This Policy and the Charter document of Risk Management Committee are integral to the functioning of the Risk Management Committee and are to be read together.

The Board has authority to reconstitute the Risk Management Committee from time to time as it deems appropriate.

RISK IDENTIFICATION:

The Senior Management of the Company should identify the risks impacting the Company's business and document the process of risk identification, risk minimization and risk optimization as a part of risk management strategy. The head of the respective departments within the Company shall be responsible for implementation of the risk management system as may be applicable to their areas of functioning and report to the Risk Management Committee ("RMC").

Mentioned below are a few risks identified by the Company along with the mitigation strategies implemented:

CIN: L45203MH2013PLC243252

Corporate office: B-31/32, Second Floor, Industrial Estate, New Power House Road, Jodhpur-342003, Rajasthan
Telephone: 0291-2434396, Email: accounts@vprp.co.in

Reg. Office – Unit No. 3, 5th Floor, B Wing, Trade Star Premises Co-Opeartive Society Limited, Village Kondivita, Mathuradas Vasanji Road, Near Chakala Metro Station, Andheri (East), Mumbai 400059 Maharashtra



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Risk	Risk description
Economic risk	Changes in the economic parameters such as interest rate and level of inflation can undermine the ability of the Company to operate effectively.
Project execution risk	Further, due to the inherent nature of the contracts with government authorities, there is also risk of projects getting inordinately delayed or not getting completed, struck off or getting into litigations
Financial risk/operational risk	If there is any change in the government or the governmental policies, practices or focus that result in a slowdown in infrastructure projects, our business, prospects, financial condition and results of operations may be materially and adversely affected. Also, if payments under our contracts with the government authorities in India are delayed, our financial condition and results of operations may be affected on account of an effect on our working capital requirements, resulting in additional finance costs and increase in our realization cycle.
Change in government policies	Our business is dependent upon infrastructure projects undertaken by governmental authorities including State PHEDs, WRD, PWDs, Railways, MoRTH and NHAI. Our construction contracts with Government entities are usually based on standard terms and conditions set out by the said entities. Thus, we have had only limited ability to negotiate the terms of these contracts, which tend to favour our government clients and we may be required to accept unusual or onerous provisions in such contracts in order to be engaged to execute such projects. These onerous conditions forming part of Government contracts may have adverse effects on our profitability
ESG (Environment Social Governance) related risks	<p>Climate change, supply chain, and corporate purpose are three key ESG trends affecting the infrastructure sector. These trends bring both risks and opportunities to the sector due to the essential nature of the assets and services.</p> <p>Every stage of a project has an effect that lasts a long time when we take into account the resources, energy, and waste involved.</p>
Cyber security risks	Increasing concern for user data privacy, data leakage, and number of cyber-attacks are the reason for rising attention to the question of data security, which became more relevant in the recent years. The increasing number of devices connected to the Internet not only creates more data but also makes it more vulnerable and not very well protected. Thus, it is critical to keep up with latest trends in the field of data security.

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RISK ASSESSMENT AND ANALYSIS:

Risk assessment is the process of profiling and prioritization of various risks. Likelihood and impact of risk events should be assessed for the purpose of analysing the criticality at all levels of the organization, viz., enterprise level, respective company or division level and unit or location level. The likelihood of occurrence of a risk should be determined based on number of past incidences in the industry, previous experiences of the Company, future likely trends judged based on internal analysis and / or external research. Such analysis should be done taking the existing controls into consideration. The impact of the risk should be evaluated in terms of the financial implications of the risk (on current and future revenues and profits of the Company) and also several non-financial implications like image and reputation of the Company.

RISK MITIGATION:

The Company believes that while not all risks can be eliminated, they can either be:

1. shared, by following right strategy to own and transfer the risks, or
2. retained, by owning the risk and still reducing their impact by ensuring effective internal controls.

Risk mitigation actions are undertaken by Senior Management responsible for treating risks appropriately in a time-bound manner. All Business & Functional Heads must ensure that the risk management activities, are being undertaken in their areas of responsibility and the progress of risk mitigation actions shall be reviewed periodically by RMC.

POLICY AMENDMENT:

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.

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