



RISK MANAGEMENT POLICY

BACKGROUND:

The Man Infraconstruction Limited ("**the Company**") is working to promote better risk management with emphasis on the importance of improving the way risk is managed. Risk management is a key aspect of the "Corporate Governance Principles and Code of Conduct", which aims to improve governance practices across the spectrum of business activities. Pursuant to provisions of Companies Act, 2013 read with Regulation 21 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 (including any amendments thereto), specified listed entities based on market capitalization as at the end of previous financial year, require to constitute Risk Management Committee and to lay down Risk Management Policy and procedures about risk management and its minimization.

The responsibility for identification, assessment, management and reporting of risks and opportunities will primarily rest with the business managers. They are best positioned to identify the opportunities and risks they face, evaluate these and manage them on a day to day basis.

The Board of Directors of the Company shall form a Risk Management Committee (hereinafter referred to as "**Committee**") who shall periodically review this Policy so that the Management controls the risk through properly defined network. The Board of Directors may re-constitute the composition of the Committee, as it may deem fit, from time to time. The Committee shall provide oversight and will report to the Board of Directors who have the sole responsibility for overseeing all risks. As and when deemed necessary, necessary changes shall be made to this document.

Risk is the possibility of undesirable events occurring that might prevent or impact upon the achievement of Company's business objectives.

Risk Management is the logical and systematic method of identifying, analyzing, evaluating, treating and monitoring risks in a way that will enable the organization to meet its objectives and minimize threats and maximize opportunities. Enterprise risk management is about optimizing the process with which risks are taken and managed. Risk itself is not bad, but risk that is misplaced, mismanaged, misunderstood, or unintended is bad. The Company needs to assess which method best suits its objectives and its business. Risk management oversees and ensures the integrity of the process with which the business be carried on with probable risks. This Policy is set to identify the risk associated with the Company and the policies required to be adopted to mitigate the same.

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The Risk Management policy of the Company shall primarily focus on identifying, assessing and managing risks in the following areas:

- The Company's operations, assets and property
- Going concern concept
- Employees
- Reputation
- Cyber Security

The risks mainly are related to:

- Foreign Currency Risks
- Operational Risks
- Non-compliance of statutory enactments
- Competition risks
- Contractual risks
- Legal/regulatory risks
- Quality risks

RISK MANAGEMENT COMMITTEE:

The Committee is responsible for ensuring that the Company maintains effective risk management through regular overseeing of the risks identified with effective working mitigation plans and internal control systems and processes, and provides regular reports to the Board of Directors on the effectiveness of the risk management program in identifying and addressing material business risks.

SENIOR MANAGEMENT:

The Company's Senior Management is responsible for designing and implementing risk management and internal control systems which identify material risks for the Company and aim to provide the Company with warnings of risks before they escalate. Senior Management must implement the action plans developed to address material business risks across the Company and individual business units.

RISK MANAGEMENT SYSTEM:

(a) Risk Identification:

The Company must identify the risks associated with the Company which covers areas of risk such as:-

- Anything that could impact on the delivery of objectives, the reputation of the Company and could undermine stakeholder's confidence in it.

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- Any influence, external or internal to the organization, that poses a threat to the achievement of corporate or departmental objectives.
- An inability to respond to or to manage changed circumstances in a way that prevents or minimizes adverse effects on the delivery of objectives.
- Failure to take opportunities to deliver better and more effective services or projects.
- Failure to comply with legislative requirements covering employment, health and safety and the environment.
- Failure to guard against impropriety, malpractice, waste or poor value for money.
- Failure to develop and manage human resources to meet changing corporate and departmental objectives.

(b) Evaluation:

The identification of risk needs to be followed by an evaluation of the impact that risk may have on the delivery of objectives. It is therefore important to use a process that measures impact and likelihood consistently and enables the development of a hierarchy of risk. Without this consistent approach the comparison and allocation of resources to manage the risk becomes more difficult and the outcomes less measurable. If risk is not evaluated appropriately then establishing the hierarchy meaningfully will be problematic and there will be clusters of risk that cannot be prioritized.

RISK EVALUATION MATRIX:

Impact severity	Multiplier					
Severe	5	5	10	15	20	25
Major	4	4	8	12	16	20
Moderate	3	3	6	9	12	15
Minor	2	2	4	6	8	10
Insignificant	1	1	2	3	4	5
	Multiplier	1	2	3	4	5
Likelihood		Rare	Unlikely	Possible	Likely	Almost certain

MANAGEMENT ACTION GUIDE:

Overall Risk Rating	Key	Management Action
High Risk– Severe	20-25	Unacceptable level of risk exposure which requires immediate corrective action to be taken
High Risk– Major	12-16	Unacceptable level of risk exposure which requires constant active monitoring and

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		measures to be put in place to reduce exposure
Medium Risk– Moderate	5-10	Acceptable level of risk exposure subject to regular active monitoring measures
Low Risk– Minor	3-4	Acceptable level of risk exposure subject to regular passive monitoring measures
Low Risk– Insignificant	1-2	Acceptable level of risk exposure subject to periodic passive monitoring measures

Further consideration should be given to the level of control that can be achieved over the risk. This should be demonstrated in terms of classification under the following headings:-

- **Within our Control**– a risk the department can directly control or manage.
- **Within our Sphere of Influence**– a risk we can partly control/managed or one that we can influence how it is controlled/managed.
- **Outside our Control**– a risk over which there is no departmental controls.

(c) Managing and Controlling Risk:

Having identified and evaluated the risks, the arrangements for managing the risks need to be in place. These arrangements cover the allocation of duties and responsibilities for the management of the risks to key personnel as well as taking the management actions to control the specific risks. In broad terms the actions taken to control risk fall into four categories which are classified as treat, tolerate, terminate or transfer.

The categories for controlling risk are explained as:-

- **Treat** involves taking action to reduce the risk by lessening the impact. This can involve improved procedures or training, investing in new equipment, etc.
- **Tolerate** involves accepting the risk and its impact as it stands, that is self-insure or decide to cover any losses. Risks we have failed to identify are classed as being tolerated without knowledge.
- **Transfer** involves deciding to pass the risk or costs of the impact outside the organization, that is contract out the risk or take out insurance to cover the costs of the impact.
- **Terminate** involves deciding to eliminate the risk by ceasing the activity or the pursuance of the objective that presents the risk.

Allocation of duties and responsibilities to key personnel and an awareness of all staff within the organization is important in ensuring the risk management process is followed. This needs to cascade throughout the organization and have appropriate reporting mechanisms for use within departments and across the Company.

The risks associated with the Company and the risk management policy is as under:

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POLICY FOR MANAGING RISKS ASSOCIATED WITH THE OPERATIONS OF THE COMPANY:

The policy deals with nature of risk involved in relation to assets and property, objectives of risk management and measures to manage risk.

The risk management policy relating to assets aims at ensuring proper security and maintenance of assets and adequate coverage of insurance to facilitate speedy replacement of assets with minimal disruption to operations. The role and responsibilities of the departments shall be identified to ensure adequate physical security and maintenance of its assets.

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POLICY FOR MANAGING RISK RELATING TO EMPLOYEES:

The employees constitute the most important asset of the Company. The risk management policy relating to employees is therefore necessary to cover all risks related to employees and their acts/omissions. The policy deals with the nature of risk involved in relation to employees, objectives of risk management and measures to manage risk.

In particular, the objectives of employee related risk management policy aims at reducing attrition rate, providing adequate security to employees in relation to life, disability, accident and sickness, providing adequate legal safeguards to protect confidential information, and protecting the Company from any contractual liability due to misconduct/errors/omissions of employees.

POLICY FOR MANAGING FOREIGN CURRENCY RISK:

Presently, the revenues of the Company are mainly from domestic sources. However, over a period of time, the Company may carry on business in international territories also. The Company at times may resorts to long-term and short-term borrowings in foreign currency to finance expansion plans and growth. Any such move would attract the risks associated with the frequent changes in valuations of foreign currencies.

The objective of foreign currency risk management is to protect cash flows and profit margins from volatility on account of fluctuations in exchange rates. The policy for foreign currency risk management ensures that the treasury department continuously tracks movement of foreign

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currencies, avails of services of experts, and hedges the risk through appropriate mechanisms such as forwarding contracts/options.

OPERATIONAL RISKS:

The Company is constantly working to limit the operational risks that run through all facets of operations. This requires the combined efforts of all business and support units, and the tools required continue to be developed. The startup database of loss events is populated from internal audit reports. Apparent trends are analysed, and various operating groups combine into task forces to address these. The business continuity plan is reviewed annually by each unit. In all of these efforts, the use of technology is harnessed for more control.

RISKS ASSOCIATED WITH NON-COMPLIANCE OF STATUTORY ENACTMENTS:

The Company being a legal entity engaged in construction activity and listed on one or more stock exchange(s). In view of the same, the Company is required to ensure compliance of provisions of various applicable statutory enactments. Failure to comply one or more such provisions may render strict penalties as may be prescribed under such statutory enactments.

The Company shall ensure that qualified professionals are employed to comply with various laws. In addition to the statutory audits, the Company shall promote undertaking of internal audit/s at different levels periodically to ensure timely check on the statutory compliances.

COMPETITION RISKS:

Risk of competition is inherent to all business activities. The Company faces competition from the existing players in the domestic operating in the segment in which the company operates. Considering that the Construction Sector is the backbone of national development and concerning the economy, there is always an inherent risk that the existing competition may further get acute with the advent of new players.

The Company strategy shall be to leverage its investments in its own high-profile brands, thereby leading to consolidation and value creation.

CONTRACTUAL RISKS:

There may be instances of defaults by Customer/s in fulfilling contractual obligations as a result of which the Company may face financial losses. Similarly, defaults by the Company in fulfilling one or more contractual obligations due to reasons such as misrepresentations, breach of warranties etc cannot be ruled out.

The Company shall ensure that proper drafting of the contract and adequate indemnity clauses are incorporated in the contracts entered into with one or more parties. In addition, internal controls from technical team and strict supervisions and checks on execution of contracts and delivery are undertaken.

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DISCLOSURE OF THE POLICY:

The Company shall disclose this Policy on its website if needed. The necessary disclosure, if any, about the Policy will also be made as per the requirements of SEBI LODR Regulations, 2015 and the Companies Act 2013.

FREQUENCY OF REVIEW OF THE POLICY:

Any change in the Policy shall be approved by the Board of Directors or by Risk Management Committee (as may be authorized by the Board of Directors in this regard). 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.

The Company's Senior Management Team will deliver and maintain a Risk Management System within all the Departments. This will include coordination of the risk management processes described in this policy. This should provide the Committee and the Board of Directors with risk updates and assess whether any decisions made could impact the existing processes

This Policy is intended to be in conformity with the SEBI LODR Regulations, 2015 as on the date of its adoption. However, if due to subsequent modifications in the SEBI LODR Regulations, 2015, the Act or any other applicable law, a provision of this Policy or any part thereof becomes inconsistent with the SEBI LODR Regulations, 2015, the Act, or any other applicable law, then the provisions of such laws, Listing Regulations as modified, shall prevail.

Description	Adoption Date	Approval by
Adoption of Revised Policy	20.05.2025	Risk Management Committee and Board of Directors