

RISK MANAGEMENT POLICY

OF

PRISTINE LOGISTICS & INFRAPROJECTS LIMITED

1. DEFINITIONS AND INTERPRETATION

“**Board**” shall mean the board of directors of the Company;

“**Companies Act**” shall mean Companies Act, 2013 and rules made thereunder, as amended from time to time;

“**Company**” shall mean Pristine Logistics & Infraprojects Limited;

“**Policy**” shall mean this Risk Management Policy;

“**SEBI Listing Regulations**” shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

Interpretation

All other words and expressions used but not defined in this Policy, but defined in the Securities and Exchange Board of India Act, 1992, the Companies Act, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and/or the rules and regulations made thereunder shall have the same meaning as respectively assigned to them in such acts or rules or regulations or any statutory modification or re-enactment thereto, as the case may be. In any circumstance where the terms of this Policy are inconsistent with any existing or newly enacted law, rule, regulation or standard governing the Company, the said law, rule, regulation or standard will take precedence over this Policy.

2. BACKGROUND

This Policy is adopted in accordance with Regulation 17(9) of the SEBI Listing Regulations, as well as Section 134(3)(n) and other applicable provisions of the Companies Act. It serves to facilitate the proactive identification, assessment, and management of risks in accordance with the Company’s business objectives. Further, this Policy establishes and implements a robust risk management framework, and stipulates regular reporting to the Board on the framework’s performance and any associated exceptions.

3. OBJECTIVE

1. This Policy sets forth a comprehensive framework for effective risk management, as mandated by the Companies Act and in accordance with the SEBI Listing Regulations. Through this Policy, the Company aims to implement a robust mechanism for the periodic identification, reduction, mitigation, and management of potential risks.
2. The objectives of this Policy include:
 - a) To establish a framework for the company’s risk management process and to ensure companywide implementation.
 - b) Integrate risk management in the culture and strategic decision-making in the organization.

- c) To ensure that all the current and future material risk exposures of the company are identified, assessed, quantified, appropriately mitigated and managed.
- d) To ensure proactive rather than reactive management.
- e) Enable compliance with appropriate regulations and adoption of leading practices.
- f) Anticipate and respond to changing economic, social, political, technological environmental and legal conditions in the external environment.

4. RISK IDENTIFICATION AND MITIGATION

Risks in the Company will be identified through

- a) inquiries and information/data gathering;
- b) observation/inspection of business plan/strategies and internal control; and
- c) analytical procedures including SWOT analysis, assumption analysis, comparing market trends, growth and other quantitative data.

An illustrative list of risks faced by the Company across its functions have been identified and classified as follows:

- a) Internal Risks
 - i. Strategic Risk: Competition, high dependence on a single customer/vendor.
 - ii. Business Risk: market competition, economic slowdown, changes in customer demand.
 - iii. Finance Risk: Liquidity, credit, currency fluctuation.
 - iv. Environment Risk: Non-compliances to environmental regulations, risk of health to people at large.
 - v. Personnel Risk: Health & safety, high attrition rate.
 - vi. Operational Risk: transportation disruptions, cargo loss/damage, warehousing incidents, supply chain disruptions.
 - vii. Reputation Risk: Brand impairment.
 - viii. Regulatory Risk: non-compliance with applicable laws, litigation and contractual disputes.
 - ix. Information and Cyber Security Risk: Cyber security related threats and attacks.
- b) External Risks
 - i. Economic environment and market conditions
 - ii. Political environment
 - iii. Competition
 - iv. Changes in interest rates
 - v. Changes in government policies
 - vi. Adverse climatic conditions
 - vii. Changes in tax regulation
 - viii. Financial stability of clients, business partners (joint-venture partner, consortium partner, sub-contractors), suppliers, vendors
 - ix. Lenders risk

- x. Revenue concentration and liquidity aspects
- xi. Inflation and cost structure
- xii. Technology obsolescence
- xiii. Legal

5. RISK ANALYSIS

Once the Risk is identified and categorized, it should be analyzed. Risk is analyzed by determining its consequences and likelihood.

a) Consequences of the Risk

It may be assessed by the impact of the Risk on the profit, governance and business objectives of the Company. Accordingly, the Risk shall be further categorized into negligible, minor, moderate, major and severe.

Impact	Negligible	Minor	Moderate	Major	Severe
Financial- (Loss/ Reduction in profit)	-	Less than 1%	Between 1%-5%	Between 5%-15%	More than 15%
Regulatory	Minor legal issue	Non-compliance and breach of regulation	Serious breach of regulation with investigation or report to authority with prosecution or moderate Fine, or both	Major breach of Regulation or major Litigation	Significant prosecution and fines, very serious litigation, imprisonment
Personnel	No Medical Treatment Required	First-aid required; or minor Risk of serious injury	Potential of serious injury; small Risk of fatality	Severe injury or disability or some fatality expected	Multiple fatalities expected

b) Likelihood of occurrence of the Risk

The likelihood of occurrence of Risk is based on historic events of the occurrence of Risk and future trends. Based on the likelihood, the Risk shall be classified as:

Likelihood	Occurrence in past	Occurrence in future
Rare	Similar instances have never occurred in the past.	Not likely
Not likely	Though not routinely but there have been instances in the last 1 to 5 years.	May occur once or twice between 1 to 5 years
Likely	There have been 1 or more similar instances in the past year.	Possible, may arise once or twice within 1 year
Highly likely	Similar instances have occurred several times in the past year.	High, may arise several times within 1 year
Expected	Similar instances have commonly occurred every year in the past.	Very high

6. RISK EVALUATION

Based on the outcomes of Risk analysis i.e. analysis of the consequences and likelihood, Risk shall be classified into following levels for determining the Risk mitigation plan-

- A. **Level 1- High Risk** –Board/ senior management attention needed to develop and initiate mitigation plans.
- B. **Level 2-Medium Risk**- Functional heads attention required.
- C. **Level 3-Low Risk**- Managed by routine procedures.

Decisions should take account of the wider context of the Risk and include consideration of the tolerance of the Risks by the Company including other companies in similar sector and benefit from the Risk.

7. RISK MITIGATION AND INTERNAL CONTROLS

Based on the Risk level, the Company will formulate its strategy. The strategy will be choosing among the various options for Risk mitigation for each identified Risk. The following framework shall be used for Risk mitigation:

- a) **Risk avoidance** - Risk avoidance implies not to start or continue with the activity that gives rise to the Risk. Avoidance may seem the answer to all Risks but avoiding Risks also means losing out on the potential gain that accepting (retaining) the Risk may have allowed.

- b) Risk sharing – It involves sharing the burden of loss or the benefit of gain, arising from a Risk with a third party.
- c) Risk reduction - Risk reduction involves reducing the severity of the loss or the likelihood of the loss from occurring. It means finding a balance between the Risk and benefit from the activity.
- d) Risk retention – It involves accepting the loss, or benefit of gain, from a Risk when it occurs. Risk retention is a viable strategy for small Risks where the cost of insuring against the Risk would be greater than the total losses sustained. All Risks that are not avoided or transferred are retained by default.
- e) Develop systems and processes for internal control of identified Risks.

8. Risk Monitoring & Reporting

Risk monitoring, review and reporting are critical components of the Risk Management process. The intent of monitoring & reporting risks is to identify any new risk, modifying existing risk, scan external environment for emerging risk and accordingly reassess risks.

All the Head of Departments (“HODs) under the guidance of the Whole Time Director has the responsibility for over viewing management’s processes and results in identifying, assessing and monitoring risk associated with Company’s business operations and the implementation and maintenance of policies and control procedures to give adequate protection against key risk. In doing so, the HOD considers and assesses the appropriateness and effectiveness of management information and other systems of internal control, encompassing review of any external agency in this regard and action taken or proposed resulting from those reports. Setting up of proper internal control systems to analyse the probable risks and mitigating it pro-actively.

9. BUSINESS CONTINUITY PLAN

The Company shall develop and implement business continuity plans for potential risks and impacts. These plans shall establish crisis response mechanisms, define communication protocols, and rely on periodic training, among other things.

10. AMENDMENT AND REVIEW

Any issues pertaining to the Policy shall be resolved by the Board in line with the broad intent of the Policy. The Board may also establish further rules and procedures, from time to time, to give effect to the intent of this Policy.

The Board shall review this policy atleast once in every two years , including by considering the changing industry dynamics and evolving complexity.

In the event of any conflict between the provisions of this Policy and any applicable

laws, such applicable law in force, shall prevail over this Policy.

11. EFFECTIVE DATE

The Policy shall become effective upon the listing of the Company's securities on stock exchanges.

Version Control:

<u>Sr. No.</u>	<u>Version No.</u>	<u>Date of approval</u>
1	V1	May 23, 2026

FOR PRISTINE LOGISTICS & INFRAPROJECTS LIMITED



Company Secretary

