

**W.S. INDUSTRIES (INDIA) LIMITED**  
**RISK MANAGEMENT POLICY**

*(Pursuant to Regulation 17(9) of SEBI (LODR) Regulations, 2015)*

**1. Preamble**

W.S. Industries (India) Limited (“the Company”), engaged in infrastructure and real estate development, including executing infrastructure projects on a **subcontract basis**, recognizes that effective risk management is critical to project success, financial stability, and stakeholder confidence. In line with **Regulation 17(9) of SEBI (LODR) Regulations, 2015**, and the **Companies Act, 2013**, this Policy provides a structured approach to identifying and managing business risks.

**2. Objective**

This Policy aims to:

- Identify and assess risks that may affect project performance, including subcontracted works.
- Establish clear risk mitigation protocols, especially in contracts and execution models involving third parties.
- Embed a culture of risk awareness and proactive management across the organization.

**3. Scope**

This Policy applies to all functions and activities of the Company, including:

- Directly executed infrastructure and real estate projects.
- **Subcontracted infrastructure projects**, where the Company acts as an execution partner under a principal contractor.

**4. Governance Structure**

- The **Board of Directors** retains oversight of risk management and ensures integration into business strategy.
- The **Audit Committee** monitors the effectiveness of risk mitigation and compliance.
- The Project and Commercial Teams are responsible for identifying operational, contractual, and commercial risks and implementing mitigation strategies.

## 5. Key Risk Areas

### a) Project Execution Risk

Risks related to project delays, cost overruns, and scope changes due to delays in approvals, inadequate resources, or execution inefficiencies.

### b) Subcontract Execution Risk

As a subcontractor, the Company faces:

- **Dependency risk** on timely coordination with principal contractors and their clients.
- **Scope risk** where incomplete or ambiguous work orders lead to disputes.
- **Payment delays** impacting cash flow.
- **Quality control risks**, as poor supervision or non-compliance with the principal's specifications can lead to penalties or rework.

### c) Regulatory and Compliance Risk

Involves risks of non-compliance with RERA, environmental laws, labor codes, GST, and municipal norms applicable to infrastructure and real estate sectors.

### d) Financial Risk

Includes cost inflation, delayed client payments (including from principal contractors), increased borrowing costs, and high working capital demands typical of subcontracted execution models.

### e) Market and Demand Risk

Unfavorable changes in real estate demand, pricing pressure, or delay in monetization of assets may affect project feasibility.

### f) Legal and Contractual Risk

Includes risks from poorly negotiated subcontracts, indemnity clauses, dispute resolution failures, or land ownership litigation in real estate projects.

### g) Operational Risk

Covers issues in procurement, labor management, equipment failure, or vendor unreliability, particularly when execution depends on external agencies.

### h) Reputation Risk

Includes risks arising from quality issues, missed timelines, non-compliance, or litigation—especially when subcontracting under high-profile public or private projects.

## 6. Roles and Responsibilities

### Board of Directors:

- Approve and periodically review the Risk Management Policy.
- Provide strategic direction in risk-sensitive decisions.

### Audit Committee:

- Oversee the effectiveness of the risk framework.
- Review risk exposures and mitigation strategies, including those in subcontracted projects.

### Management:

- Identify and assess project-level risks.
- Ensure adequate insurance, contract terms, and performance guarantees in subcontracting.
- Monitor compliance with regulatory and contractual obligations.

## 7. Monitoring and Review

- Risks will be captured in a **project-level risk register**, which shall include subcontract-specific risks.
- The **Audit Committee** shall review the risk framework annually or as needed.
- Internal reviews shall validate the adequacy of controls, especially where the Company is dependent on third-party execution or coordination.

## 8. Policy Review and Amendment

This Policy shall come into effect from the date of approval by the Board and will be reviewed periodically to ensure its alignment with evolving business models and regulatory expectations.

**Amended and Approved by the Board of Directors on:** [27-05-2025]