Risk Management Policy
PROPERTY VENTURES (INDIA) PVT. LTD.

RISK ASSESSMENT

Risk is a critical factor in commercial real estate. Risk is a complex topic as well as a dynamic, active and progressive factor and comes in many forms, making it difficult to identify much less quantify and manage. Risks are analyzed, considering likelihood scenario and impact, as a basis for determining how they should be managed. Risk Assessment is the process of identification of hazards consisting of a detailed study of threats and vulnerability and resultant exposure to various risks. To meet the organizational objectives, effective strategies for exploiting opportunities are to be evolved and as a part of this, key risks are identified and plans for managing the same are laid out.

RISK MANAGEMENT AND RISK MONITORING

Property Ventures (India) Pvt. Ltd. is a Company incorporated on 19th June 2000 registered at Registrar of Companies, Jaipur.

The Company is engaged in the following businesses:

A. Real Estate Operations

- Ownership, renting, and leasing of commercial real estate properties.

B. Aviation Operations

- Ownership and leasing of aircraft, helicopters, and allied air vehicles
- Sale and purchase of aircraft, helicopters, and allied air vehicles
- Charter operations (scheduled and unscheduled)
- Ancillary legal, financial, and operational support activities

Given the diversified nature of operations, the Company is exposed to **industry-specific as well as enterprise-level risks**, which are addressed through this integrated Risk Management Policy.

SCOPE

This policy applies to all departments and individuals involved in:

- Real estate ownership, leasing, and property management
- Aircraft and helicopter ownership, leasing, sale, and purchase
- Charter operations (scheduled and unscheduled)
- Legal, compliance, finance, operations, and support functions

3. OBJECTIVES

- Identify, assess, and manage risks across real estate and aviation businesses
- Ensure compliance with applicable **local and international laws and regulations**, including aviation regulations (DGCA, FAA, EASA, ICAO)
- Minimize financial, operational, legal, safety, and reputational risks
- Protect the value, performance, and longevity of Company assets
- Promote a proactive risk-aware culture across the organization
- Ensure business continuity and resilience during crises or disruptions

4. RISK MANAGEMENT FRAMEWORK

4.1 Risk Identification

- Continuous identification of risks through audits, inspections, lease and contract reviews, due diligence, and operational monitoring
- Maintenance of a **central Risk Register** covering real estate and aviation operations

4.2 Risk Assessment

- Risks assessed based on **Likelihood and Impact** (High / Medium / Low)
- High-risk matters escalated to Senior Management, Legal Counsel, or the Board as appropriate

4.3 Risk Mitigation

- Preventive and corrective controls implemented through policies, contracts, insurance, and operational safeguards
- Use of legally vetted and standardized agreements
- Adequate insurance coverage for assets and liabilities

4.4 Risk Monitoring & Review

- Periodic internal reviews, audits, and compliance checks
- Monitoring of regulatory, market, and economic developments
- Annual review of this policy or earlier if required due to significant changes

❖ <u>VACANCY RISKS</u>

Due to dynamic market conditions and variations in the demand the properties run a risk of lying vacant and simultaneously incurring major costs, firstly the holding cost, / opportunity cost for the rent lost and last not least the extra cost incurred in upkeep of a vacant property.

The vacancy risks and respective mitigating actions as perceived by the Company:

RISK DESCRIPTION	MITIGATING ACTION	FURTHER ACTION NEEDED
(i) Holding Cost (ii) Opportunity cost of Vacant commercial property (iii) Other risks in a vacant property include: - Fire - Mold - Water Leakage - Crime - Theft - Weather-related damage -Damages resulting from lack of maintenance or supervision	(i) Sustainability to hold the property in order to benefit from the capital appreciation on long term prospective (ii) We have personal references and are in regular touch with developer, agencies and local people to help us in leasing out the vacant property. (iii) We are advertising in local newspaper and have put up sign boards captioning that this property is vacant and available on rent for commercial use. (iv) We have taken insurance policy against fire, earthquake and terror attack.	(i) Need to maintain patience in holding the assets in order to reap long term capital appreciation benefit. (ii) A more aggressive approach to push for leasing out of our property by way of advertising through various social medias. (iii) Notify local authorities and public sector emergency response organizations, including police and fire department, that our property is unoccupied. Provide

	(v) We have an office for exclusively looking after issues relating to our property. (vi) Employees and building guards ensure proper maintenance and safety of property.	them our contact information in case of emergency. (iv) We can also register with online Rental Real estate Portals to find out suitable future tenants.

❖ **RISK IN TENANCY ALLOCATION**

The behavior of the tenants cannot be predicted in advance therefore there runs an inherent risk that the tenants will not take reasonable care of the property or that that they will not make timely and complete payments. The tenancy allocation risk and respective mitigating actions as perceived by the Company:

RISK DESCRIPTION	MITIGATING ACTION	FURTHER ACTION NEEDED
(i) Inability to pay (ii) Inability to care (iii) Raising dispute at the time of expiry of lease term and vacation of the leased premises.	(i) We always carry out a pre due diligence of the financial strength and background of the prospective Tenant and also execute a valid Lease Agreement with tenant before letting out our property and mentioning all terms and conditions in respect of tenant's liability and responsibility in said agreement. (ii) The interest of Company is secured by way of registered Lease Agreement and further by way of the prior due diligence of the track record of the tenant.	(i) Review if any significant change occurs in financial condition of tenant at least once a year. (ii) Carry out the pre transaction due diligence in a more religious and stringent manner. (iii) Draft of the Lease Agreement to be vetted and cleared by reputed firms of Lawyers ensuring due protection of the rights of Company.

❖ **POLITICAL AND REGULATORY RISK**

The Company's operating activities are subject to laws and regulations of the country governing real estate, tenancy rights and property law. Also the lease agreement which is the bible for the landlord-tenant relationship needs to be carefully drafted to avoid legal battles in the futures. The Political and regulatory risk and respective mitigating actions as perceived by the Company:

RISK DESCRIPTION	MITIGATING ACTION	FURTHER ACTION NEEDED
(i) Changes in laws governing property, tenancy, aviation, and taxation (ii) Non-compliance with municipal, aviation, or statutory requirements	(i) Timely acquisition of NOCs and approvals (ii) Regular payment of taxes, utilities, and statutory dues (iii) Ensuring tenant compliance with Shop & Establishment and other laws (iv) Aviation compliance with licensing, permits, and airworthiness rules	(i) Continuous monitoring of legal and regulatory changes (ii) Post-tenancy and post-contract compliance reviews

❖ **NATURAL& SECURITY-RELATED RISKS**

An immovable property is subject to various natural and man-made risks. The natural & security-related risks and respective mitigating actions as perceived by the Company:

RISK DESCRIPTION	MITIGATING ACTION	FURTHER ACTION NEEDED
(i) Earthquake, fire, terror attack (ii) Theft, vandalism, and security breaches	(i) Comprehensive insurance coverage (ii) Fire-resistant construction, sprinklers, and safety systems (iii) Security personnel and surveillance	(i) Periodic safety audits and fire risk assessments (ii) Annual insurance policy review iii) Ensuring all security systems remain operational

❖ **PROPERTY MAINTENANCE & CARE RELATED RISKS**

An immovable property in order to be kept in a rentable position needs to be maintained and renovated from time to time. These risks have been dealt by the company in the following manner:

RISK DESCRIPTION	MITIGATING ACTION	FURTHER ACTION NEEDED
(i) Deterioration due to poor maintenance (ii) Utility failures and waste management issues	(i) Maintenance agreements with developers (ii) Regular internal repairs and inspections	(i) Monitoring contractor performance (ii) Timely escalation of common area or utility issues

❖ **AVIATION OPERATIONAL & SAFETY RISKS**

Aviation operations involve high-value assets and stringent safety and regulatory requirements. Any lapse in operational control, maintenance, or compliance may result in serious financial, legal, safety, and reputational consequences. The key aviation operational and safety risks identified by the Company include:

RISK DESCRIPTION	MITIGATING ACTION
(i) Inadequate maintenance oversight (ii) Use of non-compliant operators (iii) Charter disruptions and emergency incidents	(i) Strict due diligence of aircraft, operators, and crew (ii) Maintenance and return condition clauses in leases (iii) Compliance audits and safety checks

❖ **FINANCIAL & MARKET RISKS**

Fluctuations in market conditions may affect our ability to rent our property at expected prices, which could adversely affect our revenue and earnings. Potential limitations on the prospective increase in rent could reduce our revenue or negatively impact the results of Company's operations.

These risks have been dealt with by the company in the following manner:

RISK DESCRIPTION	MITIGATING ACTION	FURTHER ACTION NEEDED
(i) Economic downturns and market volatility (ii) Rental or lease defaults (iii) Asset value fluctuations	(i) Long-term lease agreements with escalation clauses (ii) Credit checks and counterparty due diligence (iii) Adequate insurance and financial controls	(i) Continuous monitoring of real estate and aviation markets (ii) Periodic review of pricing and leasing strategies

❖ ROLES & RESPONSIBILITIES

Role	Responsibilities
Board of Directors	Overall oversight and approval of risk policy
Senior Management	Implementation of risk strategies
Legal & Compliance	Contract review and regulatory monitoring
Finance Team	Financial controls, insurance, and credit risk
Operations Team	Asset condition, safety, and compliance
All Employees	Reporting risks and adhering to controls