APOLLO PIPES LIMITED

RISK MANAGEMENT POLICY

(Approved by Board of Directors on 27th January, 2025)

BACKGROUND

Apollo Pipes Limited ("Company") considers ongoing risk management to be a core component of the Management of the Company, and understands that the Company's ability to identify and address risk is central to achieving its corporate objectives.

The Company's Risk Management Policy ("the Policy") outlines the program implemented by the Company to ensure appropriate risk management within its systems and culture. This policy is formulated in compliance with regulation 17(9)(b) of SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015 ("Listing regulations") and 134(3)(n) of the Companies Act, 2013 ("the Act") read along with other applicable provisions that requires Corporates to institute risk management framework comprising a process for risk assessment and minimization procedures, in order to proactively manage uncertainty and changes in the internal and external environment to limit negative impacts on the Company and capitalize on opportunities.

Accordingly, the Board of the Directors of the Company has approved this Policy.

OBJECTIVE

The Company is exposed to several types of risks, including operational, regulatory and financial risks. The key objective of this Policy is to ensure sustainable business expansion with stability, and to promote an upbeat approach in risk management process by eliminating risks. In order to achieve this key objective, this Policy provides a pro-active and well-organized approach to manage various types of risks associated with day to day business of the Company and minimize adverse impact on its business objectives. Main objectives of the Policy are:

1. Providing a framework that enables future activities to take place in a consistent & controlled manner;
2. To ensure that all the current and future material risk exposures of the Company are identified, assessed, quantified, appropriately and mitigated, minimized and managed i.e. to ensure adequate systems for risk management;
3. To ensure systematic and uniform assessment of risks related with different projects of the Company;
4. To establish a framework for the Company's risk management process and to ensure Company-wide implementation;
5. To protect brand value through strategic control and operational policies;

6. To enable compliance with appropriate regulations, wherever applicable, through the adoption of best practices;
7. To reduce volatility in various areas of the business.

RISK MANAGEMENT SYSTEM

For successful implementation of risk management plan, it is essential to clearly define the Risk Management System.

RISK MANAGEMENT COMMITTEE

The Board of Directors of the Company shall constitute a Risk Management Committee consisting of majority of members of the Board along such employees as the Board may think fit. The Committee shall facilitate in drawing a Risk Management System, which help the Company in the areas of risk identification, assessment, monitoring, mitigation and reporting.

The Chairperson of the Risk management committee shall be a member of the Board of Directors and Senior Executives of the listed entity may be members of the Committee.

The Board of Directors may re-constitute the composition of the Committee, as it may deem fit, from time to time.

For the purpose of operation of Risk Management Mechanism, Mr. Ajay Kumar Jain (CFO) of Company will act as Chief Risk Officer (CRO) of the Company.

The Risk Management System shall comprise of the following:

i. Risk Analysis

Risk analysis is obligatory on all vertical and functional heads who with the inputs from their team members are required to report the material risks to the Chairman of the Risk Management Committee along with their views and recommendations for risk mitigation.

Analysis of all the risks thus identified shall be carried out by Risk Management Committee through participation of the vertical/functional heads and a preliminary report thus finalized shall be placed before the Audit Committee. Risk analysis involves the consideration of the source of risk, the consequence and likelihood of the risks to estimate the inherent or unprotected risk without controls in place.

ii. Risk identification: To identify organization's exposure to uncertainty. Risk may be classified in the following categories:

i. Strategic: Business plans which have not been developed properly and comprehensively since inception may lead to strategic risk.
ii. Operational: It arises due to inadequate systems, system capacities, system failure, and obsolescence risk, management failure on account co-ordination, faulty control or human error.
iii. Financial: The risk which has some direct financial impact on the entity is treated as financial risk.
iv. Reputational: It is multidimensional and reflects the perception of other market participants.

iii. **Risk Description**: To display the identified risks in a structured format

Name of Risk	**Remarks**
Scope of Risk	Qualitative description of events with size, type, number etc.
Nature of Risk	Strategic, Operational, Financial, Reputational
Quantification of Risk	Significance & Probability
Risk Tolerance/ Appetite	Loss Potential & Financial Impact of Risk
Risk Treatment & Control Mechanism	a) Primary Means b) Level of Confidence c) Monitoring & Review
Potential Action for Improvement	Recommendations to Reduce Risk
Strategy & Policy Development	Identification of Function Responsible to develop Strategy & Policy

iv. **Risk Evaluation**:

After risk identification, comparison of estimated risks against organization risk criteria is required. It is to be used to make decisions about the significance of risks and whether each specific risk to be accepted or treated. On a periodic basis risk, external and internal risk factors are to be assessed by functional heads.

v. **Risk Estimation**:

Can be quantitative, semi quantitative or qualitative in terms of probability of occurrence and possible consequences.

In determining what constitutes a given level of risk the following scale is to be used for likelihood/ probability of occurrence:

Level	**Descriptor**
5	Very high likelihood
4	High likelihood
3	Moderate likelihood
2	Low likelihood
1	Very low likelihood

Impact level on performance/profit – Both Threats and Opportunities.

In determining what constitutes a given level of risk the following scale is to be used for impact:

Level	**Descriptor**
5	Very high impact
4	High impact
3	Moderate impact
2	Low impact
1	Very low impact

vi. Risk Treatment

Based on likelihood and impact classification of various risk, top risks should be identified and dashboards shall be created to track external and internal indicators relevant for risks, so as to indicate the risk level. The trend line assessment of top risks, analysis of exposure and potential impact shall be carried out. Mitigation plans including risk avoidance, risk transfer (insurance), risk financing, risk absorption etc., but not limited to shall be finalized, owners identified, and progress of mitigation actions shall be regularly & periodically monitored and reviewed.

The Board shall have the discretion to deal with certain risks (may be called Key or Highly Sensitive Risks) in the manner it may deem fit. Mitigation of such Highly Sensitive/Key risks and effectiveness of their mitigation measures and review of the strategy may be directly discussed by the Board members with Risk Management Committee.

vii. Risk Register

Risk Registers shall be maintained showing the risks identified, treatment prescribed, persons responsible for applying treatment, status after the treatment etc. Risk Managers and Risk Officers to be identified for proper maintenance of the Risk Registers which will facilitate reporting of the effectiveness of the risk treatment to the Risk Management Committee and the Board.

The Risk Management Committee shall from time to time review and update the Risk Register basis change in nature of existing risk or identification of new risk.

Enterprise Risk Planning (ERP package) shall play a key role in timely availability of all data/reports required for the Committee to develop the Action Plan as stated above.

viii. Risk Monitoring

The Functional Head associated with each risk are responsible for monitoring and reviewing the Risk. As a part of review, the progress of implementation plan of risk mitigation, change in nature of risk along with changes in the regulatory environment and business practices which have an impact on the risk, shall be reviewed.

The assumptions made in the previous risk assessment (likelihood and consequence), the effectiveness of controls and the associated management system as well as people need to be monitored on an on-going basis to ensure risk are in fact controlled to the underlying criteria.

The Risk Management Committee shall be responsible for overall review of the Risk Management System and implementation of this Policy.

ix. Communication & Reporting

1. Internal Reporting

The Risk Management Committee shall be responsible for submitting its review report on the working of the Risk Management System and implementation of this Policy.

Further risks having significant impact on the Company should be brought to the notice of the Board immediately on its occurrence. Entity level risks such as project risks, account level risks etc. shall be reported to and discussed at appropriate levels of the Company.

2. External Reporting

The Company shall make necessary disclosure with respect to Risk Management in the Board Report, Corporate Governance Report etc., as per the statutory requirements.

ROLE OF RISK MANAGEMENT COMMITTEE

The Risk Management Committee shall consist minimum 3 (three) members, majority of members shall be from Board of Directors with at least 1 (one) Independent Director (Listed entity having outstanding SR equity shares shall have at least 2/3 Independent Directors) along such employees as the Board may think fit.

Apart from the responsibilities enumerated under the provisions of Listing regulations and the Act, the Risk Management Committee shall be responsible for the following:

1. To provide regular reports to the Board of Directors with respect to effective and efficient functioning of the Risk Management System.
2. To apprise the Board with respect to new risks being faced by the Company from time to time
3. To examine the organization structure relating to risk management.
4. To review all hedging strategies/risk treatment methodologies vis-a-vis compliance with the Risk Management Policy and relevant regulatory guidelines.
5. To define internal control measures to facilitate a smooth functioning of the risk management systems.
6. Ensure periodic review of operations and contingency plans and reporting to Board in order to counter possibilities of adverse factors having a bearing on the risk management systems.
7. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems.
8. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity.
9. To keep the board of Directors informed about the nature and content of its discussions recommendations and actions to be taken.
10. It shall review appointment, removal and terms of remuneration of the Chief Risk Officer.

The Risk Management Committee shall have access to any internal information necessary to fulfill its oversight role. The Risk Management Committee shall also have authority to obtain advice and assistance from internal or external legal, accounting or other advisors.

The Risk Management Committee shall coordinate its activities with other Committees, in instances where there is any overlap with activities of such Committees, as per the framework laid down by the board of Directors.

RISK TREATMENT – MITIGATION

To ensure that the above risks are mitigated, the Company will strive to:

1. Involve all functions in the overall risk identification and mitigation exercise;

2. Link the risk management process to the strategic planning and Internal Audit process;

3. The Risk Management Committee shall have access to all information necessary to fulfill its responsibilities. It has the powers to seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary;

4. The Risk Management Committee may in its judgment periodically commission risk management analysis of the Company;

5. Adequate disclosures pertaining to the risks (including commodity risks) being faced by the Company, may be made as per the materiality criteria defined in the 'Policy for determination of materiality for disclosure of events or information' of the Company.

BUSINESS CONTINUTY PLAN

Business continuity plan refers to maintaining business functions or quickly resuming them in the event of a major disruption, whether caused by a fire, flood or any other act of god. A business continuity plan outlines procedures and instructions an organization must follow in the face of such disasters; it covers business processes, assets, human resources, business partners and more. Company shall have well documented Business continuity plan for any contingent situation covering all perceivable circumstances. The Business continuity plan may be reviewed and amended by the Risk Management Committee.

REVIEW

This Policy shall be reviewed by the Risk Management Committee, at such interval as it thinks fit. Amendments (if any) in the Policy shall be approved by the Board on the recommendation of Management Committee.

This Policy will be communicated to all vertical/functional heads and other concerned persons of the Company.

AMENDMENT

Any change in the Policy shall be approved by the Board of Directors or any of its Committees (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.