



Pipeline Infrastructure Limited

Risk Management Policy

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Requirement as per applicable laws

In compliance with the provisions of Companies Act, 2013 read with applicable rules made thereunder ("Act") and Regulation 62I of Chapter VA read with Part D of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ("SEBI Listing Regulations"), the Board of Directors ("Board") of Pipeline Infrastructure Limited ("PIL/ Company") has adopted this Risk Management Policy ("Policy"), as recommended by the Risk Management Committee.

➤ **Responsibility of the Board:**

As per Regulation 62I of the SEBI Listing Regulations, the Company shall lay down the procedures to inform the Board about risk assessment and minimization procedures and the Board shall be responsible for framing, implementing and monitoring the risk management plan for the Company.

As per Section 134(3)(n) of the Act, the Board's Report must include a statement indicating development and implementation of a Risk Management Policy for the Company including identification of elements of risk, if any, which in the opinion of the Board may threaten the existence of the Company.

➤ **Responsibility of the Risk Management Committee:**

As per Part D of Schedule II of SEBI Listing Regulations, the Risk Management Committee shall:

- monitor and oversee implementation of this Policy, including evaluating the adequacy of risk management systems; and
- keep the Board informed about the nature and content of its discussions, recommendations and actions to be taken.

➤ **Responsibility of the Audit Committee:** As per Section 177(4) (vii) of the Act and Part C of Schedule II of the SEBI Listing Regulations, the Audit Committee shall act in accordance with the terms of reference specified in writing by the Board which shall, *inter alia*, include evaluation of internal financial controls and risk management systems.

➤ **Responsibility of the Independent Directors:** As per Schedule IV of the Act, independent directors should satisfy themselves that financial controls and the systems of risk management are robust and defensible and help in bringing an independent judgment to bear on the Board's deliberations *inter-alia* on risk management issues.

Risk Management Policy

PIL Risk Management Policy is a statement of intent issued by PIL Board and endorsed by the Managing Director (MD), which establishes the principles by which risks will be managed across PIL as a company.

Risk influences every aspect of PIL's business. Understanding the risks we face and managing them effectively will enhance our ability to make risk informed decisions, deliver our business objectives and thereby improve business performance. Additionally, each of our stakeholders has made an investment in our business and by doing so accept that in order to be successful we must take risks. In return they expect us to manage risk to an acceptable level. Accordingly, PIL has established methodology, processes and systems for monitoring and evaluation of risk associated with the business of the Company.

The primary objective for our focus towards risk management is to:

- to reduce operational vulnerability so as to optimize business performance
- to promote confidence amongst our stakeholders in the effectiveness of our business management processes and our ability to plan and meet our strategic objectives; and
- to improve overall business resilience.

To ensure that such risk management objectives are delivered, PIL is committed to:

- Implementing an Enterprise risk management framework that is aligned to and supports the delivery of PIL's Business Strategy and Plan and help identifying both internal and external risks to PIL
- Identifying and assessing risks against our business objectives including strategic, operational, sectoral, safety, financial, sustainability (particularly Environmental Social and Governance related) information, cyber security and reputational aspects in a consistent manner or any other risk as may be determined by the Committee
- Embedding risk analysis and its consideration into day-to-day business activities as well as key decisions
- Escalating risk information accurately and proactively in order to support timely management action
- Devising appropriate response in treating risks upon weighing cost benefit options, including systems and processes for internal control of identified risks
- Providing our staff with the resources, training and tools they need to accept and effectively manage their risk management responsibilities
- Ensuring continuity of services by developing and maintaining viable Business Continuity plans and disaster recovery capacities for business-critical services.

Responsibility for compliance with this Policy lies with the Directors, Senior Management and all employees.

Policy Administration

The Risk Management Committee shall review this Policy atleast once in 2 (two) years, including by considering the changing industry dynamics and evolving complexity, to determine its appropriateness to the needs of the Company and recommend to the Board any amendment required in the Policy.

The Board shall consider and review the recommendations made by the Risk Management Committee and shall approve necessary amendments.

The Company Secretary and the Head of Risk and Compliance are authorized to amend this Policy to give effect to any changes/ amendments notified by Ministry of Corporate Affairs and Securities and Exchange Board of India, as may be applicable, w.r.t. any matter covered by this Policy. The amended Policy shall be placed before the Risk Management Committee and the Board for noting and ratification. Any questions and clarifications relating to this Policy should be addressed to the Head of Audit, Risk & Compliance at nilesh.salatry@pipelineinfra.com.

Akhil Mehrotra
Managing Director
