alldigi tech
formerly allsec technologies
A digitide company

RISK MANAGEMENT POLICY

Revision History

Version No.	Author	Approval Authority	Approval Date	Effective Date
1.0	Gagan Preet Singh	Board of Directors	October 28, 2021	FY 22
2.0	Neeraj Manchanda	Board of Directors	July 25, 2024	FY 24

1. Introduction

The Board of Directors of Alldigi Tech Limited ("the company") have adopted this Risk Management Policy in the meeting held on October 28, 2021 and is applicable from FY 22 onwards.

2. Legal Framework

Risk Management is a key aspect of the Corporate Governance Principles which aims to improve the governance practices across activities of Alldigi Tech Limited. Risk Management Policy and processes will enable to proactively manage uncertainty and changes in the internal and external environment to limit any negative impact and also capitalize on opportunities. For the purposes of this policy, references to Alldigi Tech Limited mean Alldigi Tech Limited and all of its subsidiaries.

3. Objective

The main objective of this policy is to ensure sustainable business growth with stability and to promote a pro-active approach in reporting, evaluating and resolving risks associated with the business. In order to achieve the key objective, this policy establishes a structured and disciplined approach to Risk Management, in order to guide decisions on risk related issues.

The specific objectives of the Risk Management Policy are:

1. To ensure all current and future material risk exposures of the company are identified, assessed, quantified, appropriately mitigated, minimized and managed effectively.

2. To establish a risk management framework for the company and ensure its implementation.

3. To enable compliance with applicable regulations, through adoption of best practices.

4. To assure financial stability in business.

5. To ensure integration in reporting, controlling and planning procedures, centralized risk coordination, development of risk behaviour, continuous risk assessment and responsiveness to changes.

4. Definitions

"Audit Committee"- means Audit Committee of the Board of Directors of the company constituted under Section 177 of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

"Board of Directors" or "Board"- in relation to a company, means the collective body of Directors of the company as per section 2(10) of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

"Policy"- means this Risk Management Policy.

5. Disclosures required under Companies Act, 2013 and SEBI (LODR) Regulations, 2015

(i) As per the provisions of Section 134(3)(n) of the Companies Act, 2013, the company shall include a statement in its Board report indicating development and implementation of a risk management policy for the company including identification therein of elements of risk, if any, which in the opinion of the Board may threaten the existence of the company.

(ii) As per the provisions of Section 177(4)(vii) of the Companies Act, 2013, the company shall include evaluation of internal financial controls and risk management systems in accordance with the terms of reference of Audit Committee.

(iii) As required under Regulation 21 of the SEBI (LODR) Regulations, 2015, the company shall comply with the composition, role and frequency of the meetings, of the Risk Management Committee.

6. Charter of the Risk Management Committee

a. Purpose

The purpose of the Risk Management Committee of the Board of Directors of the company shall be to assist the Board with regard to the identification, evaluation, monitoring and minimization of the operational, strategic and external environment risk. The Committee has overall responsibility for monitoring and approving the risk policies, procedures and associated practices of the company including cyber security and sustainability (particularly, Environmental, Social and Governance (ESG) related risks).

The Board of Directors of the company and the Audit Committee shall periodically review and evaluate the risk management system of the company, so that the management controls the risks through a properly defined network. The respective 'Head of Department' shall be responsible for the implementation of the risk management system as may be applicable to their respective areas of functioning and report to the Board of Directors and the Audit Committee.

b. Composition

The Risk Management Committee shall have minimum three members with majority of them being members of the Board of Directors, including at least one Independent Director. Senior executives of the company may be members of the said Committee but the Chairman of the Committee shall be a member of the Board of Directors.

c. Meetings and Quorum

The quorum necessary for transacting business at a meeting of the Committee shall be either two members or one third of the members of the Committee, whichever is higher, including at least one member of the Board of Directors in attendance. The Company shall have at least 2 meetings in a year which shall be conducted in such a manner that on a continuous basis not more than two hundred and ten days shall elapse between any two consecutive meetings.

d. Terms of Reference

d.1 The Risk Management Committee shall evaluate significant risk exposures of the company and assess management's actions to mitigate the exposures in a timely manner (including one-off initiatives, and ongoing activities such as business continuity planning and disaster recovery planning & testing).

d.2 The Risk Management Committee will coordinate its activities with the Audit Committee in instances where there is any overlap with audit activities (e.g. internal or external audit issue relating to risk management policy or practice).

d.3 The Risk Management Committee shall make regular reports/ recommendations to the Board.

d.4 To formulate a detailed risk management policy which shall include:

i. A framework for identification of internal and external risks specifically faced by the company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
ii. Measures for risk mitigation including systems and processes for internal control of identified risks.
iii. Business continuity plan.

d.5 To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the company.

d.6 To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems.

d.7 To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity.

d.8 To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken.

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.

This Policy will be communicated to all concerned persons of the company and shall be placed on the website of the company at www.alldigitech.com

The Risk Management Committee shall have access to any internal information necessary to fulfil 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.