

NDL Ventures Limited* (Formerly known as NXTDIGITAL Limited)

RISK MANAGEMENT POLICY

1. INTRODUCTION

As per the Regulation 17(9)(a) & (b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), the listed entity shall lay down procedures to inform members of Board of Directors about risk assessment and minimization procedures. The Board of Directors shall be responsible for framing, implementing and monitoring the riskmanagement plan for the listed entity.

Section 134(3)(n) of the Companies Act, 2013 (“Act”) states that there shall be attached to statements (i.e. financial statements) laid before a company in general meeting, a report by its Board of Directors, which shall include - “a statement 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”.

This document lays down the framework of Risk Management at **NDL Ventures Limited** (the “**Company**”). This document shall be under the authority of the Board of Directors of the Company. It seeks to identify risks inherent in any business operations of the Company and provides guidelines to define, measure, report, control and mitigate the identified risks.

2. POLICY OBJECTIVE:

The primary objectives of this policy are:

- (i) To identify risks impacting Company’s Business through systematic process of risk identification.
- (ii) To formulate Risk Management Policy including risk minimization and risk optimization.
- (iii) To implement controls to manage risks.
- (iv) To monitor the effectiveness of risk management controls.
- (v) To implement the policy and report the resultant impact.

3. RISK MANAGEMENT COMMITTEE

The Board of Directors at its Meeting held on 9, October 2020 had voluntarily constituted a Risk Management Committee of Directors comprising of members of the Board.

As per SEBI Circular dated May 5, 2021 read with Regulation 21 of SEBI Listing Regulations as amended, the constitution of Risk Management Committee has become mandatory for the top 1000 listed entities, determined on the basis of market capitalization, as at the end of the immediate previous financial year. The Company is amongst top 1000 listed entities based on aforesaid criteria for the year ended March 31, 2021.

The Risk Management Committee shall meet at least twice in a year in such a manner that on a continuous basis not more than one hundred and eighty days shall elapse between any two consecutive meetings.

The quorum for the Risk Management Committee shall be either two members or one third of the members of the Committee, whichever is higher, including at least one independent director.

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 Directors.

4. ROLE OF RISK MANAGEMENT COMMITTEE

The role of the Risk Management Committee shall, *inter alia*, include the following:

- (1) To formulate a detailed risk management policy which shall include:
 - (a) A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (i.e. Environment, Social & Governance (ESG) related risks), information, cyber security risks or any other risk as may be determined by the Committee;
 - (b) Measures for risk mitigation including systems and processes for internal control of identified risks;
 - (c) Business continuity plan.
- (2) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

- (3) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- (4) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- (5) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- (6) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.
- (7) such other powers /actions as may be entrusted by the Board.

The Risk Management Committee shall have powers to seek information from any employee, obtain outside or other professional advice and secure attendance of outsiders with the relevant expertise, it considers necessary.

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.

The Risk Management Committee has responsibility to review and report to the Board that:

- (a) the Committee has, at least once in two years, reviewed the risk management policy / framework to satisfy itself that all potential risks are identified;
- (b) risk management plan / processes have been designed properly and implemented effectively to manage the identified risks;
- (c) such risk management plan / processes are reviewed and monitored regularly;
- (d) proper remedial action is undertaken to redress areas of potential risk.

5. RISK MANAGEMENT STRATEGY:

The Company recognizes that risk is an integral and unavoidable component of business and is committed to manage the risk in a proactive and effective manner. The Company believes that the Risk cannot be eliminated. However, it can be

- (a) Assigned to another party, who is willing to take risk like an Insurer.
- (b) Reduced, by having good internal controls
- (c) Avoided, by not entering into risky businesses
- (d) Retained, to either avoid the cost of trying to reduce risk or in anticipation of higher profits by taking on more risk, and
- (e) Shared, by following a middle path between retaining and assigning risk.

As a matter of policy, these risks are assessed and steps as appropriate are taken to mitigate the same.

6. RISK MANAGEMENT FRAMEWORK:

Risk Management Framework includes objectives of the Company, Risk Assessment, Risk Management and Risk Monitoring. The Company carries on activities at various levels of the organization, viz., Enterprise level; Business Unit level; Subsidiary level. All these components are interrelated and drive the Enterprise Risk Management Framework

The Objectives of the Risk Management Framework can be classified into:

Strategic:

- Organizational Growth;
- Sustenance and Growth of Strong professional relationships;
- Expansion of existing markets share and penetrating new geographic markets;
- Enhance industry expertise;
- Enhance capabilities through technology alliances and acquisitions.
- Value creation

Operational:

- Consistent Revenue growth;
- Consistent profitability;

- Effective and timely execution of projects;
- Innovations;
- Attract and retain quality resources.

Reporting:

- Maintain high standards of Corporate Governance.

Compliance:

- Ensure adherence to policies, procedures and applicable laws/ rules/ regulations/standards with focus on three key elements, viz.

- (1) Risk Assessment
- (2) Risk Management
- (3) Risk Monitoring

7. RISK MANAGEMENT MEASURES ADOPTED IN GENERAL BY THE COMPANY AND RISK MONITORING:

The Company has put in place an Enterprise Risk Framework which identifies risks, monitors risks and gives indicators for corrective action to be taken. The risks are classified based on their significance, probability of occurrence and their measurement parameters along with the period of measurement.

The Board or Audit Committee shall maintain an oversight and monitor the effectiveness of internal controls and risk management activities of the Company.

The Board or Audit Committee will be responsible for satisfying itself annually, or more frequently as required, that management has developed and implemented an effective Risk Management Framework.

8. AMENDMENT

Any subsequent amendment / modification in the SEBI Listing Regulations / Act in this regard shall automatically apply to this Policy. The same shall be added/amended/ modified from time to time by the Board of Directors of the Company with due procedure.

**The name of the Company was changed from NXTDIGITAL Limited to NDL Ventures Limited on April 20, 2023, and the Board, at its meeting held on April 28, 2023, approved to effect the name change of the Company in the policies.*
