

**RISK MANAGEMENT POLICY****[ADOPTED BY BOARD ON 05.02.2025]**

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## 1. **Objective And Scope:**

This Policy details the Risk Management principles and framework along with the associated procedures for Excelsoft Technologies Limited (hereinafter, referred to as the **"Company"**). This Policy has been established by the management, to identify, assess, mitigate, monitor, and report the key risk categories (such as Strategic, Financial, Operational, Regulatory, Reputational, Third-party, Sustainability, Technological Risks) on a periodic basis.

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 and is meant to ensure continuity of business and protection of interests of the investors and thus covers all the activities within the Company and events outside the company which have a bearing on the Company's business.

The Policy is formulated in compliance with Regulation 17(9)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**"SEBI LODR"**) and Section 134(3)(n) of the Companies Act, 2013 (**"the Act"**), which requires the Company to lay down procedures about risk assessment and risk minimization.

## 2. **Applicability:**

The Board of Directors of the Company shall form a Risk Management Committee (hereinafter referred to as **"Committee"**) who shall periodically review this Policy of the Company so that the Management controls the risk through properly defined network. The Board of Directors may re-constitute the composition of the Committee, as it may deem fit, from time to time.

The responsibility for identification, assessment, management and reporting of risks and opportunities will primarily rest with the Committee. They are best positioned to identify the opportunities and risks they face, evaluate these and manage them on a day-to-day basis.

The Risk Management Committee shall provide oversight and will report to the Board of Directors who have the sole responsibility for overseeing all risks.

## 3. **Philosophy And Approach to Risk Management:**

The risk management philosophy of the Company is built based on its vision and strategic goals. Since, risk is an integral part of every business activity, the Company aims to embed the risk management in its regular course of business.

The Company has adopted an integrated approach for risk management wherein it ensures all material risks are identified, assessed, and mitigated for the long-term sustainability of the organization. Our success as an organization depends on our ability to identify and leverage the opportunities created by our business and the markets, we operate in.

The Company also has well defined policies, standard operating procedures and controls in place to minimize and mitigate the financial and operational risks. The Company's internal audit carries out reviews and the internal control advisory activities aligned to the key risks and their

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mitigation plans. This provides an independent assurance to the Audit Committee and Risk Management Committee on the adequacy and effectiveness of the risk management for operational and financial risks. Compliance with the Company's Code of Conduct and Whistle Blower Policy also ensures ethical culture and responsible decision making within the organization.

#### 4. **Definitions:**

- a. **“Consequence”** means Potential resulting events that could be affected by the key group risk.
- b. **“Impact”** means the degree of consequences to the organization should the event occur
- c. **“Likelihood”** means the likelihood of the event occurring is expressed as an indicative annual frequency.
- d. **“Risk”** means events or conditions that may occur, and whose occurrence, if they do take place, has a harmful or negative impact on the achievement of the organization's business objectives. Exposure to the consequences of uncertainty constitutes a risk.
- e. **“Risk Management”** means a process that can be defined as the identification, assessment, and prioritization of risks followed by coordinated and economic application of resources to minimize, monitor, and to control the probability and/or impact of unfortunate events or to maximize the realization of opportunities.
- f. **“Risk Management Committee”** means the Committee constituted/reconstituted by the Board to function as the Risk Management Committee in accordance with the applicable provisions of the act and the SEBI LODR for time being in force.

#### 5. **Risk Management Program**

The Company's risk management program comprises of a series of processes, structures and guidelines which assist the Company to identify, assess, monitor and manage its business risk, including any material changes to its risk profile.

To achieve this, the Company has clearly laid down the responsibility and authority to oversee and manage the risk management program, while conferring responsibility and authority on the Company's senior management to develop and maintain the risk management program in light of the day-to-day needs of the Company. Regular communication and review of risk management practice provide the Company with important checks and balances to ensure the efficacy of its risk management program.

Key Elements include:

- i. **Risk Identification:** In order to identify and assess material business risks, the Company defines risks and prepares risk profiles in light of its business plans and strategies. Both internal and external risks are comprehensively covered in this exercise.

This involves providing an overview of each material risk, making an assessment of the risk level and preparing action plans to address and manage the risk.

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The Company majorly focuses on the following types of material risks which may be internal or external, strategic or operational, and can arise from routine or non-routine activities. This may include:

- i. Strategic Risks
- ii. Operational Risks
- iii. Compliance and Regulatory Risks (*including data privacy laws like DPDP and GDPR*)
- iv. Financial and Market Risks
- v. Intellectual Property (IP) Infringement and Protection Risks
- vi. Technology and Infrastructure Risks (*including system downtime and platform stability*)
- vii. Cyber Security and Information Security Risks
- viii. Human Resource and Talent Retention Risks
- ix. Vendor and Third-Party Dependencies

**ii. Risk Analysis:** Risks so identified are clearly assessed to classify them as per the criticality for the business. This involves prioritization of risks and decide the right risk management strategies that would enable to tackle them. Wherever applicable and feasible, the risk appetite is also defined, and adequate internal controls are installed to ensure that the limits are adhered to.

**iii. Risk Prioritisation:** The importance of each risk to achieving the overall objectives through risk assessment is clearly laid . A practical, long-lasting, and simple risk assessment procedure in order to achieve this. The process is organised and disciplined. It is scaled for the size, complexity, and geographic reach of the company. It's critical to identify if a risk is inherent, residual, or both when evaluating it.

Based on risk score, the risks are divided into four categories (i.e. critical, high, medium and low). This helps organizations focus on the most critical threats that could disrupt strategic objectives or operations. Prioritization ensures optimal allocation of resources to manage risks effectively. It also enables timely escalation and informed decision-making by leadership.

**iv. Risk Mitigation:** Each functional head/unit head is responsible for implementing the mitigation plan for the identified key risks for their relevant area. Milestones are defined for each result metrics wherever feasible. The respective Risk Owner provides status update on the mitigation plan to the Risk Coordinator on at least once in a year.

**v. Risk Monitoring and Reporting:** The process of managing risk is ongoing. Risk assessment therefore needs to be carried out. To be able to adjust simply and swiftly to changing situations and environments, businesses need to continuously monitor and analyse the risk management. Additionally, new dangers could materialise at any time, so the company should be ready for them as soon as possible.

The Company reduces the risk of losing important information and receiving questionable findings by adopting an effective fraud risk management strategy. When reporting concerns, one should act objectively, take concrete steps, and offer advise on how to reduce the impact.

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## EXCELSOFT TECHNOLOGIES LIMITED

Formerly known as Excelsoft Technologies Private Limited.

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## 6. Business Continuity Plan:

Business Continuity Plans (“BCP”) and Disaster Recovery (“DR”) frameworks shall be defined to ensure rapid response, containment, and recovery when operational risks materialize. Business Continuity Planning shall be deeply embedded within the Company’s cloud infrastructure, data centers, digital delivery frameworks, and corporate offices.

The core focus of the BCP/DR framework is to safeguard human capital, ensure high availability of application platforms, protect sensitive client/student data, and maintain robust data backup protocols. This ensures minimal disruption to online assessments, digital learning deliveries, and corporate operations, maintaining critical service level agreements (SLAs) even during infrastructure bottlenecks or system outages.

## 7. Oversight And Management:

### A. BOARD OF DIRECTORS

The Board of Directors ("**the Board**") is responsible for reviewing and ratifying the risk management structure, processes and guidelines which are developed and maintained by Committees and Senior Management. The Committees or Management may also refer issues to the Board for final consideration and direction.

The day-to-day oversight and management of the Company's risk management program has been conferred upon the Committee. The Committee is responsible for ensuring that the Company maintains effective risk management and internal control systems and processes and provides regular reports to the Board of Directors on the effectiveness of the risk management program in identifying and addressing material business risks.

### B. RISK MANAGEMENT COMMITTEE

- i. The Risk Management Committee shall have a minimum of 3 (three) members with majority of them being members of the Board of Directors, including at least 1 (one) Independent Director.
- ii. The Chairperson of the Risk Management Committee shall be a member of the Board of Directors and senior executive of the Company.
- iii. The Risk Management Committee shall meet at least twice a year. The quorum for a meeting of the Risk Management Committee shall be either 2 (two) members or 1/3 (one third) of the members of the Risk Management Committee, whichever is higher, including at least 1 (one) member of the Board of Directors in attendance.
- iv. The meetings of the Risk Management Committee shall be conducted in such a manner as prescribed by applicable law.

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The Committee shall be responsible for:

- i. Managing and monitoring the implementation of action plans developed to address material business risks within the Company and its business units and regularly reviewing the progress of action plans.
- ii. setting up appropriate methodology, processes and systems to control the implementation of action plans.
- iii. regularly monitoring and evaluating the performance of management in managing risk. providing management and employees with the necessary tools and resources to identify and manage risks.
- iv. regularly reviewing and updating the current list of material business risks. Regularly reporting to the Board on the status of material business risks.
- v. review and monitor cyber security.
- vi. ensuring compliance with regulatory requirements and best practices with respect to risk management.

### Terms of Reference of the Committee

- i. To formulate a detailed risk management policy which should include:
  - a. A framework for the identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, environmental social and d governance-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.
- ii. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- iii. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- iv. To co-ordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per framework laid down by the board of directors;
- v. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- vi. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- vii. To approve major decisions affecting the risk profile or exposure and give appropriate directions;
- viii. To consider the effectiveness of decision-making process in crisis and emergency situations;
- ix. To balance risks and opportunities;

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- x. To generally assist the Board in the execution of its responsibility for the governance of risk;
- xi. To seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it is considered necessary;

Any other similar or other functions may be laid down by the Board from time to time and/or as may be required under applicable law, as and when amended from time to time, including the SEBI LODR regulations.

Further, the Company is exposed to risks associated with technological obsolescence, intellectual property vulnerabilities, and information security threats due to the digital nature of its vertical SaaS, software applications, and EdTech platforms. Such risks are managed through continuous software architectural reviews, rigorous data encryption practices, regular vulnerability assessments and penetration testing (VAPT), multi-layered identity and access controls, and a proactive legal framework for IP enforcement and protection.

## **8. Review And Amendment**

The Board shall review this Policy from time to time to ensure it remains consistent with the Board's objectives and responsibilities, and in accordance with applicable laws.

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.

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