



EMERALD LEISURES LIMITED

RISK MANAGEMENT POLICY

[In Accordance with regulation 17 and 21 of SEBI (Listing Obligations and Disclosure Requirement), 2015]



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BACKGROUND

The Securities and Exchange Board of India (“the SEBI”) has notified SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI (LODR) Regulations”) vide notification no. SEBI/LAD/NRO/GN/2015-16/013, dated 2nd September, 2015, which was effective from 2nd December, 2015 (90 days from the publication in official gazette).

In accordance with Section 134(3) (n) of the Companies Act, 2013, a company is required to 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 and further as per Regulation 17 of the SEBI (LODR) Regulations, the board of directors shall be responsible for framing, implementing and monitoring the risk management plan for the listed entity.

Accordingly, to mitigate and manage risk at “Emerald Leisures Limited” (hereinafter referred to as the “Company”), the Company has formed the policy (the “Risk Management Policy”) for the same. This document shall be under the authority of the Board of Directors of the Company. It seeks to identify risks inherent in the operations of the Company and provides guidelines to define, measure, report, control and mitigate the identified risks.

OBJECTIVE & PURPOSE

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, the 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 that all current and future material risk exposures of the Company are identified, assessed, quantified, appropriately mitigated, minimized and managed, i.e. to ensure adequate systems for risk management.
2. To establish a framework for the Company’s risk management process and to ensure its implementation.



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3. To enable compliance with appropriate regulations, wherever applicable, through the adoption of best practices.
4. To ensure business growth with financial stability.

APPLICATION

This policy applies to all areas of the Company's operations.

RISK MANAGEMENT POLICY STATEMENT

The policy statement is as given below:

1. To ensure protection of shareholder value through the establishment of an integrated risk management framework for identifying, assessing, mitigating, monitoring, evaluating and reporting of all risks
2. To provide clear and strong basis for informed decision making at all levels of the organization
3. To continually strive towards strengthening the Risk Management System through continuous learning and improvement

PRINCIPLES OF RISK MANAGEMENT

1. All business decisions will be made with prior information and acceptance of the risk involved
2. The Risk Management Policy shall provide for the enhancement and protection of business from uncertainties and consequential damages
3. All employees of the Company shall be made aware of the risks in their respective domains and their mitigation measures
4. Risk tolerance levels will be regularly reviewed and decided upon depending on the change in the Company strategy
5. The occurrence, progress and status of all risks will be promptly reported and appropriate actions be taken thereof

IMPLEMENTATION

Head of Departments shall be responsible for implementation of the risk management system as may be applicable to their respective areas of functioning and report to the Audit Committee and Board.



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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 properly defined network.

ROLE OF THE BOARD

The Board shall undertake the following actions to ensure risk is managed appropriately:

- The Board shall be responsible for framing, implementing and monitoring the risk management plan for the Company;
- Ensure that the appropriate systems for risk management are in place;
- The Independent Directors shall help in bringing an independent judgment to bear on the Board's deliberations on issues of risk management and satisfy themselves that the systems of risk management are robust and defensible;
- Participate in major decisions affecting the Company's risk profile;
- Continually monitor the management of strategic risks;
- Ensure risk management is integrated into Board reporting and annual reporting mechanisms.

DISCLOSURE IN BOARD'S REPORT

Board of Directors shall include a statement indicating development and implementation of 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.

REVIEW OF THE POLICY

This policy will be reviewed every year or as and when required due to the changes in the risk management regulations/standards/best practices as appropriate to ensure it meets the requirements of legislation and the needs of the organization.