



EMBASSY DEVELOPMENTS LIMITED

(formerly Equinox India Developments Limited, and earlier Indiabulls Real Estate Limited)

(CIN: L45101HR2006PLC095409)

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RISK MANAGEMENT POLICY

(Policy last reviewed and amended on August 14, 2024)

1. PREFACE

1.1 OBJECTIVE

The Risk Management Policy (“**Policy**”) is formulated under the requirements of Regulation 21(4) of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 (“**Listing Regulations**”). The main objective of this Risk Management Policy (“**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 evaluating & mitigation related issues. The Policy is in compliance with the Regulation 17(9) of SEBI Listing Regulations and Section 134 (3) of Companies Act, 2013, as amended which requires the Company to lay down procedures about risk assessment and risk minimization.

1.2 APPLICABILITY

This Policy applies to every part of business and functions of Embassy Developments Limited (**the “Company”/ “EMBDL”**).

2. DEFINITIONS

- 2.1 “Company” means Embassy Developments Limited.
- 2.2 “Risk” means a probability or threat of damage, injury, liability, loss, or any other negative occurrence that may be caused by internal or external vulnerabilities; that may or may not be avoidable by pre-emptive action.
- 2.3 “Risk Management” is the process of systematically identifying, quantifying, and managing all Risks and opportunities that can affect achievement of a corporation’s strategic and financial goals.
- 2.4 “Risk Management Committee” means the Committee formed by the Board.
- 2.5 “Risk Assessment” means the overall process of risk analysis and evaluation.

3. PRINCIPLES OF RISK MANAGEMENT

- 3.1 The Risk Management shall provide reasonable assurance in protection of business value from uncertainties and consequent losses.

- 3.2 All concerned process owners of the company shall be responsible for identifying & mitigating key Risks in their respective domain.
- 3.3 The occurrence of Risk, progress of mitigation plan and its status will be monitored on periodic basis.

4. COMPOSITION OF RISK MANAGEMENT COMMITTEE

The Board has constituted the “Risk Management Committee” and it is in line with the requirements of the SEBI Listing Regulations

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

5. ROLES AND RESPONSIBILITIES OF RISK MANAGEMENT COMMITTEE

The Committee would be the apex body whose responsibilities shall include the following:

- i. To formulate a detailed risk management policy which shall include:
 - a. A framework for identification of internal and external risks specifically faced by the listed entity, 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.
 - 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 periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- v. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- vi. The Committee shall coordinate its activities with other committees, in instances where there is any overlap with the activities of such committees, as per the framework laid down by the board of directors.

6. RISK MANAGEMENT PROCEDURES

General Risk management process includes four activities: Framework for Risk Identification, Risk Assessment, and Measures for Risk Mitigation and Monitoring & Reporting.

6.1 Framework for Risk Identification

The purpose of framework of Risk identification is to identify the events that can have an adverse impact on the achievement of the business objectives. All Risks identified are documented and shall include internal and external risks including financial, operational, sectoral, sustainability (particularly ESG related risks), information, cybersecurity risks or any other risks as may be determined. Risk documentation shall include risk description, category, classification, mitigation plan, responsible function / department.

6.2 Risk Assessment

Assessment involves quantification of the impact of Risks to determine potential severity and probability of occurrence. Each identified Risk is assessed on two factors which determine the Risk exposure:

- A. Impact if the event occurs
- B. Likelihood of event occurrence

Risk Categories: It is necessary that Risks are assessed after taking into account the existing controls, so as to ascertain the current level of Risk. Based on the above assessments, each of the Risks can be categorized as – low, medium and high.

6.3 Measures for Risk Mitigation

The following framework shall be used for implementation of Risk Mitigation:

All identified Risks should be mitigated using any of the following Risk mitigation plan:

- a) Risk avoidance: By not performing an activity that could carry Risk. Avoidance may seem the answer to all Risks but avoiding Risks also means losing out on the potential gain that accepting (retaining) the risk may have allowed.
- b) Risk transfer: Mitigation by having another party to accept the Risk, either partial or total, typically by contract or by hedging / Insurance.
- c) Risk reduction: Employing methods/solutions that reduce the severity of the loss e.g. concreting being done for preventing landslide from occurring.
- d) Risk retention: Accepting the loss when it occurs. Risk retention is a viable strategy for small Risks where the cost of insuring against the Risk would be greater than the total losses sustained. All Risks that are not avoided or transferred are retained by default.
- e) Develop systems and processes for internal control of identified risks.

7. MONITORING AND REVIEWING RISKS

The Company shall record the framework and processes for effective identification, monitoring, mitigation of the Risks.

Risk Management Committee to review the Risks at least once a year and add any new material Risk identified to the existing list considering changing industry dynamics and evolving complexity. These will be taken up with respective functional head for its mitigation.

Existing process of Risk Assessment of identified Risks and its mitigation plan will be appraised by the Risk Management Committee to Board on an annual basis including recommendations made by the Committee and actions taken on it.

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. Further, the Committee shall review appointment, removal and terms of remuneration of Chief Risk Officer, if any.

8. AMENDMENT

Any change in the Policy shall be approved by the board of directors (“Board”) of the Company. The Board 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 in this respect shall be final and binding.

Any subsequent amendment/modification in the Companies Act, 2013 or the Rules framed thereunder or the SEBI Listing Regulations and/or any other laws in this regard shall automatically apply to this Policy.

9. COMMUNICATION:

This Policy shall be posted on the website of the Company.
