

A. **PREAMBLE**

1. Section 134(3)(n) of the Companies Act, 2013 ("**Act**") requires a statement to be included in the report of the board of directors of a company 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 of directors of a company, may threaten the existence of the company.
2. Further, Regulation 17(9) and Clause C, Part D of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**LODR**") requires that companies set out procedures to inform the board of directors of the company of risk assessment and minimization procedures and make the board of directors responsible for framing, implementing and monitoring the risk management plan of the company. However, the provision of LODR to the extent incorporated in this policy shall be applicable to the Company from the date of listing of its shares on the Recognized Stock Exchange(s).
3. Accordingly, the board of directors ("**Board**") of Lohia Corp Limited ("**Company**") has adopted the Risk Management Policy ("**Policy**") for risk management and mitigation.

B. **OBJECTIVE**

1. This Policy aims to provide a framework for the effective management of risk as required by the Act and in line with the LODR. through this Policy, the Company intends to establish a robust framework for reduction, identification, mitigation and management of risks (such as strategic, financial, operational, regulatory, reputational, third-party, sustainability, and technological risks) that the Company may be subject to on periodical basis. It also prescribes the risk management governance structure along with the roles and responsibilities of various stakeholders within the organization.

This Policy has been specifically designed, to achieve the following objectives:

- Ensure achievement of the Company's vision and strategic priorities in line with its core values;
- Integrate risk management in the culture and strategic decision-making in the organization;
- Enable compliance with appropriate regulations and adoption of leading practices;
- Anticipate and respond to changing economic, social, political, technological environmental and legal conditions in the external environment.

C. **RISK MANAGEMENT COMMITTEE**

The Board have formed a Risk Management Committee ("**Committee**") who shall periodically review the risk management policy of the Company so that the management controls the risk through properly defined network.

The Board may re-constitute the composition of the Committee, as it may deem fit, from time to time.

The majority of members of the Committee shall consist of members of the Board of Directors. The Chairperson of the Committee shall be a member of the Board and senior executives of the Company may be members of the Committee.

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, processes and provides regular reports to the Board on the effectiveness of the risk management program in identifying and addressing material business risks.

To achieve this, the Committee is responsible for:

- a) 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;
- b) Setting up internal processes and systems to control the implementation of action plans;
- c) Regularly monitoring and evaluating the performance of management in managing risk;
- d) Providing management and employees with the necessary tools and resources to identify and manage risks;
- e) Regularly reviewing and updating the current list of material business risks;
- f) Regularly reporting to the Board on the status of material business risks; and
- g) Ensuring compliance with regulatory requirements and best practices with respect to risk management.
- h) Such terms of reference as may be prescribed under the Act and the LODR.

D. RISK IDENTIFICATION

The purpose of risk identification is to identify the events that can have an adverse impact on the achievement of the business objectives. the Company majorly focuses on the following types of material risks:

- 1. Market risk;
- 2. Credit risks;
- 3. Liquidity risk;
- 4. Interest rate risk;
- 5. Technology risk;
- 6. Safety & Environmental risk;
- 7. Insurance coverage risk;
- 8. Manpower risk; and
- 9. Financial and exchange rate risk

E. RISK ASSESSMENT AND PRIORITIZATION

Risks so identified are assessed to classify them as per the criticality for the business. This would enable prioritization of risks and decide the right risk management strategies appropriate for the different class of risks. Wherever, applicable and feasible, the risk appetite is also defined, and adequate internal controls are installed to ensure that the limits are adhered to.

The process of assessment is based on two parameters – risk impact and risk likelihood. These are rated in terms of Very High, High, Medium, Low, and Very Low scales.

At the end of the risk assessment and evaluation, top 10 risks at the Company level are then prioritized for monitoring and review by the Risk Management Committee on periodic basis.

F. RISK MITIGATION INCLUDING SYSTEMS AND PROCESSES FOR INTERNAL CONTROL OF IDENTIFIED RISKS

1. The Company may install the following systems to firstly, shield the Company from the impact of the said risk:

- a. Training and Awareness Programmes

The Risk Management Committee shall organize periodic risk identification, management and mitigation workshops for its directors, key managerial personnel and such employees, consultants and associates, as seen necessary.

- b. Involve all functions in the overall risk identification and mitigation exercise;
- c. Link the risk management process to the strategic planning and internal audit process;
- d. The Risk Management Committee shall have access to all information necessary to fulfill its responsibilities. It has the 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;
- e. The Risk Management Committee may in its judgment periodically commission risk management analysis of the Company;
- f. Implementing strong IT Security Measures & cybersecurity protocols. Securing networks, databases, and sensitive data by regularly assessing vulnerabilities and patch software.
- g. Conducting regular internal audits. Auditing critical processes, financial transactions, and compliance areas and addressing control for weaknesses promptly.
- h. Implementing budget controls and expense approval processes.
- i. Frequent monitoring and assessing internal and external risk.
- j. To obtain wherever commercial viable to mitigate risk adequate insurance cover.

G. INFORMATION TO THE BOARD ABOUT RISK ASSESSMENT AND MINIMIZATION PROCEDURES

1. The Risk Management Committee shall on an annual basis, submit a report to the Board of Directors setting out details of risks identified, impact of such risks on the Company and its stakeholders, measures taken by the Risk Management Committee to mitigate and manage the risks and outlook for the coming year.
2. The Risk Management Committee shall periodically liaise with internal auditor and the audit committee with respect to any financial risks identified.

H. **DISCLOSURES**

Board of Directors 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 in its Board Report.

I. **DISSEMINATION OF THE POLICY**

The approved Policy shall be uploaded on the Company's website's at www.lohiagroup.com

J. **REVIEW AND AMENDMENT**

The Board, the Audit Committee and The Risk Management Committee shall review the above list periodically, but atleast every 2 (two) years and make modifications to the said list as seen necessary.

Notwithstanding anything contained in this policy, the Company shall ensure compliance with additional requirements as may be prescribed under applicable laws either existing or arising out of any amendment to such applicable laws or otherwise and applicable to the Company from time to time.

This Policy is intended to be in conformity with the LODR and the Act as on the date of its adoption. However, if due to subsequent modifications in the LODR, the Act or any other applicable law, a provision of this Policy or any part thereof becomes inconsistent with the LODR, the Act or any other applicable law, then the provisions of such laws, as modified, shall prevail.
