

LAKE SHORE REALTY LIMITED
CIN No: L68100DL1987PLC350285

RISK MANAGEMENT POLICY

BACKGROUND:

As per the Dictionary meaning, the term "risk" is defined as a chance or possibility of danger, loss, injury or other adverse consequences. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has made it mandatory for all listed companies to have properly laid down framework for Risk Management. This document lays down the framework of Risk Management at Lake Shore Realty Limited (hereinafter referred to as the "Company"). This is 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.

OBJECTIVE:

The objective of the policy is to enhance the capability of the Company to deal with all strategic and operational risks effectively through implementation of appropriate policies and facilitating the process of Risk Management. Through Risk Management plan, threats are identified and then managed that could severely impact or bring down the organization. Generally, this involves reviewing operations of the organization, identifying potential threats to the organization and the likelihood of their occurrence, and then taking appropriate actions to address the most likely threats. Particularly Risk Management aims at creating stakeholder's value.

PROVISIONS UNDER VARIOUS STATUTES:

Section 134(3) of the Companies Act, 2013 requires:

- a statement to be included in the report of the Board of Directors ("Board") of the 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, may threaten the existence of the Company.

Furthermore, Regulation 17(9) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations"), requires that:

- the Company set out procedures to inform the Board of risk assessment and minimization procedures and makes the Board responsible for framing, implementing and monitoring the risk management plan of the Company.

ROLES AND FUNCTIONS OF VARIOUS AUTHORITIES

1. BOARD OF DIRECTORS

- The Board of Directors shall guide and advise on the Risk Management plan of the Company.
- Mitigating efforts for tackling the same.

2. INDEPENDENT DIRECTORS

As per Sub- section (8) of Section 149 the roles and functions of the independent directors shall:

- help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
- satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;

3. AUDIT COMMITTEE

As per Sub- section (4) of Section 177, Every Audit Committee shall act in accordance with the terms of reference specified in writing by the Board which shall, inter alia, include,-

- evaluation of internal financial controls and risk management systems.

KEY DEFINITIONS:

Risk Assessment -

The systematic process of identifying and analysing risks. Risk Assessment consists of a detailed study of threats and vulnerability and resultant exposure to various risks

Risk Management -

The systematic way of protecting business resources and income against losses so that the objectives of the Company can be achieved without unnecessary interruption.

Risk Management Process -

The systematic application of management policies, procedures and practices to the tasks of establishing the context, identifying, analysing, evaluating, treating, monitoring and communicating risk.

RISK FACTORS:

The objectives of the Company are subject to both external and internal risks that are enumerated below:-

External Risk Factors:

- Economic Environment and Market conditions
- Political Environment
- Competition
- Revenue Concentration and liquidity aspects-
- Inflation and Cost structure
- Technology Obsolescence
- Legal
- Fluctuations in Foreign Exchange

Internal Risk Factors:

- Project Execution
- Contractual Compliance
- Operational Efficiency
- Hurdles in optimum use of resources
- Quality Assurance
- Environmental Management
- Human Resource Management
- Culture and values

INTERPRETATION:

Terms that have not been defined in this Policy shall have the same meaning assigned to them in the Companies Act, 2013 and/or any other SEBI Regulation(s) as amended from time to time.

RISK MANAGEMENT

The risk management process involves reviewing of operations, identifying the risks an organization is subject to, deciding how to manage it, implementing the management technique, measuring the ongoing effectiveness of management and taking appropriate correction action.

The risk management policy will cover the following areas:

1. Assessment of the Company's risk profile and key areas of risk in particular.
2. Recommending to the Board and adopting risk assessment and rating procedures.
3. Examining and determining the sufficiency of the Company's internal processes for reporting on and managing key risk areas.
4. Assessing and recommending to the Board acceptable levels of risk.
5. Development and implementation of a risk management framework and internal control system. On an annual basis, agreeing with the Audit Committee which aspects of the internal audit are non-financial aspects to be monitored.

In relation to the non- financial aspects of the internal audit:

- monitoring the progress of the Company's auditors against the audit plan;
- reviewing all relevant representation letters signed by management;
- discussing the results of the internal audit with the Company's auditors; inquiring if there have been any significant disagreements between management and the Company's auditors; and monitoring management's response to the Company's auditors'

recommendations that are adopted.

- Initiating and monitoring special investigations into areas of corporate risk and breakdowns in internal control.

 - Reviewing the nature and level of insurance coverage.
6. The Board, its Audit Committee and its executive management should collectively identify the risks impacting the company's business and document their process of risk identification, risk minimization, risk optimization as a part of a risk management policy or strategy.

 7. The Board should also affirm and disclose in its report to members that it has put in place critical risk management framework across the company, which is overseen once every six months by the Board. The disclosure should also include a statement of those elements of risk, that the Board feels, may threaten the existence of the company.

It has therefore become mandatory for the listed Companies to prepare a comprehensive framework of risk management for assessment of risks and determine the responses to these risks so as to minimise their adverse impact on the organization.

RESPONSIBILITY FOR RISK MANAGEMENT:

Generally, every staff member of the organization is responsible for the effective management of risk including the identification of potential risks. Management is responsible for the development of risk mitigation plans and the implementation of risk reduction strategies. Risk management processes should be integrated with other planning processes and management activities.

COMPLIANCE AND CONTROL:

All the Senior Executives under the guidance of the Managing Director and Board of Directors has the responsibility for over viewing management's processes and results in identifying, assessing and monitoring risk associated with Organization's business operations and the implementation and maintenance of policies and control procedures to give adequate protection against key risk. In doing so, the Senior Executive considers and assesses the appropriateness and effectiveness of management information and other systems of internal control, encompassing review of any external agency in this regards and action taken or proposed resulting from those reports.

REVIEW AND AMMENDMENTS:

This policy shall evolve by review by the Audit Committee and the Board from time to time as may be necessary.

This Policy will be communicated to all vertical/functional heads and other concerned persons of the Company.

This Policy may be amended or substituted by the Audit Committee or by the Board as and when required and also by the Compliance Officer where there is any statutory changes necessitating the change in the policy. However, no such amendment or modification will be binding on the Directors and employees unless the same is communicated in the manner described as above.

(This policy is revised by the Board of Directors at their meeting held on 23rd May, 2026 and effective from 23rd May, 2026