

LOHIA SECURITIES LIMITED

COMMITTEES OF BOARD

There are five Board Committees – the Audit Committee, the Nomination & Remuneration Committee, the Stakeholders Relationship Committee, the CSR Committee and the Independent Directors Committee. The terms of reference of the Board Committees are determined by the Board from time to time, other than the Independent Directors Committee the terms of reference of which have been adopted as prescribed under law. Meetings of Board Committees are normally convened by the respective Committee Chairman. Matters requiring the Board's attention / approval, as emanating from the Board Committee Meetings, are placed before the Board with clearance of the Committee Chairman. All the recommendations made by Board Committees during the year were accepted by the Board. Minutes of Board Committee Meetings are placed before the Board for its information. The role and composition of these Committees, including the number of meetings held during the financial year and the related attendance, are provided below.

1. AUDIT COMMITTEE

In compliance with the provisions of section 177 of the Companies Act, 2013 and regulation 18 of the SEBI LODR Regulations, 2015 the Board has constituted an Audit Committee. The statutory Auditor and Internal Auditors of the Company are regular invitee at the Audit Committee meetings. The Audit Committee holds discussions with the Statutory Auditors on the "Limited Review of the quarterly, half yearly, nine months, the yearly Audit Plan, matters relating to compliance of Accounting Standards, their observations arising from the annual audit of the Company's accounts and other related matters. The Audit Committee is presented with a summary of internal audit observations and follow up action thereon

(a) Composition

The composition, quorum and terms of reference of the Committee is in accordance with the provisions of Section 177 of the Act and Regulation 18 read with Schedule II part C of the Listing Regulations. The Audit Committee comprises of four Non-Executive-Directors (all of them independent) and one Executive Director. All of them financially literate and most of them have accounting or related financial management expertise. The Chairman of the Committee is an independent Director.

Mr. Sameer Bajaj, Non-Executive, Independent Director
Mr. Mahesh Kumar Bajaj- Executive Director
Mr. Vineet Goenka- Non Executive, Independent Director
Ms. Sarita Ojha- Non-Executive, Independent Director, Chairman
Mr. Ashish Kumar Gupta- Non-Executive, Independent Director

The Senior Management team of the Company comprising of the Chief Operating officer and Head of Finance Department. The Statutory Auditor and the Internal Auditor are invited to attend the Meeting of the Committee as Invitees. The Company Secretary is the Secretary to the Committee.

(b) Scope of Audit Committee

The terms of reference of the Audit Committee includes the matters prescribed under Section 177 of the Companies Act, 2013 read with SEBI (LODR) Regulation, 2015.

(c) Review of information by Audit Committee

The audit committee shall mandatorily review the following information:

- (1) management discussion and analysis of financial condition and results of operations;
- (2) statement of significant related party transactions (as defined by the audit committee), submitted by management;
- (3) management letters / letters of internal control weaknesses issued by the statutory auditors;
- (4) internal audit reports relating to internal control weaknesses; and
- (5) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
- (6) statement of deviations:
 - (a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
 - (b) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

Audit Committee has to review the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision

Internal Audit:

M/s. V. Goyal & Associates, Chartered Accountants, for brokerage business and M/s. Nisha & Associates, Chartered Accountants, for Depository Participants carry out the Internal Audit and internal check for the company. The reports and findings of the Internal Auditor are periodically reviewed by the Audit Committee.

2. NOMINATION AND REMUNERATION COMMITTEE

In compliance with the provisions of section 178 of the Act and regulation 19 of the SEBI Listing Regulations, the Board has constituted the Nomination and Remuneration Committee ("NRC").

(a) Composition

The Nomination and Remuneration Committee comprises of four Non-Executive Directors. All of whom are independent. Mr. Sameer Bajaj preside over all the meetings. Mrs. Sarita Ojha, Mr. Vineet Goenka and Mr. Ashish Kumar Gupta are the other members of this Committee.

(b) Terms of Reference

The brief terms of reference of NRC as specified in clause A of Part D of Schedule II of the Listing Regulations inter alia contains:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of Independent Directors and the Board of Directors;
3. Devising a policy on diversity of Board of Directors;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
5. Recommending the remuneration, in whatever form, payable to the senior management personnel.
6. Determining whether to extend or continue the terms of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
7. Performing such other activities as may be delegated by the Board and/ or statutorily prescribed under any law to be attended to by the Nomination and Remuneration Committee.

(c) Board Membership Criteria

While screening, selecting and recommending to the Board new members, the Nomination and Remuneration Committee ensures that the Board is objective, there is absence of conflict of interest, ensures availability of diverse perspectives, business experience, legal, financial & other expertise, integrity, managerial qualities, practical wisdom, ability to read & understand financial statements, commitment to ethical standards and values of the Company and ensures healthy debates and sound decisions.

While evaluating the suitability of a Director for re-appointment, besides the above criteria, the Nomination and Remuneration Committee considers the past performance, attendance & participation in and contribution to the activities of the Board by the Directors.

The Independent Directors comply with the definition of Independent Directors as given under Section 149(6) of the Companies Act, 2013 and Regulation 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. While appointing/ re-appointing any Independent Directors/ Non Executive Directors on the Board the Nomination and Remuneration Committee considers the criteria as laid down in the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

All the Independent Directors give a certificate confirming that they meet the “independence criteria” as mentioned in Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

(d) Remuneration Policy

The key elements of remuneration of Non-executive Directors/ Independent directors are sitting fees subject to overall limit as prescribed in the Companies Act, 2013 and Rules made thereunder and the approval of the shareholders, as applicable.

The whole-time directors are appointed on a contractual basis for a fixed tenure as approved by the shareholders and such contracts are renewable upon expiry of the tenure subject to the recommendation by the Nomination and Remuneration Committee and Board of Directors and approval of shareholders.

The remuneration paid to Whole-time Director is within the limits approved by the shareholders of the Company which includes fixed salary, within the overall limit under section 197 of the Companies Act, 2013. Their annual increments shall be linked to their overall performance and as decided by the Nomination and Remuneration Committee.

(e) Remuneration of Directors

Apart from receiving sitting fees, none of the Independent directors has any other material pecuniary relationship or transactions with the Company, its promoters, its Directors, its Management, its subsidiaries and its associate companies which would affect their independence with the Company during the year under review.

The criteria for making payments to Non-Executive Directors is laid down in the Nomination and Remuneration Policy of the Company, which is forming a part of the Annual Report.

(f) Performance Evaluation Criteria

During the year, the Board carry out the evaluation of its own performance and the performance of the Committees of the Board: and independent individual directors. The Board evaluate the composition of Board, its committees, experience and expertise, performance of specific duties and obligations, governance matters etc, with an aim to improve their effectiveness. Performance review of Board as a whole, individual executive directors

and the Board Chairman was also carried by Independent Directors at their separate meeting, inter alia, covering respective attendance at Board/ Committee meetings, contribution at the meetings, circulation of sufficient documents and information to the directors, timely availability of the agenda etc.

Further, the Board has carried out the evaluation of the Independent Directors, which included the performance of the Independent Directors and fulfillment of the independence criteria as specified in the listing regulations and their independence from the management. The Directors who were subject to evaluation did not participate in the proceedings of the meeting.

The performance evaluation questionnaire covers specific criteria with respect to the Board & Committee composition, structure, culture, effectiveness of the Board and Committees, information availability, etc. It also contains specific criteria for evaluating the Chairman and individual directors

3. STAKEHOLDERS RELATIONSHIP COMMITTEE

In compliance with the provisions of section 178 of the Companies Act, 2013 and regulation 20 of the Listing Regulations, the Board has formed a Stakeholders' Relationship Committee.

(a) Composition

The Shareholders/ Investors Grievance Committee presently consist of four Non –Executive Directors, (all of whom are independent) and one Executive Director. The Chairman of the Stakeholders Relationship Committee is Mrs. Sarita Ojha. The other members of the Committee are Mr. Mahesh Kumar Bajaj, Mr. Vineet Goenka and Mr. Ashish Kumar Gupta. Company Secretary is the Compliance Officer of the Committee. The Composition of this Committee is in compliance with the requirements of Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations.

(b) Terms of Reference

The Committee is empowered to perform all the functions of the Board in relation to approval and monitoring of transfer, transmission, transposition, dematerialization, rematerialization, issue of duplicate share certificates, splitting and consolidation of shares issued by the Company.

The investors'/ Stakeholders' Relationship Committee reviews the redressal of grievances of stakeholders pertaining to the requests/ complaints of the shareholders related to transfer of shares, dematerialization of shares , non-receipt of annual reports, non-receipt of dividend or revaluation of expired dividend warrants/ cheques, recording the change of address, nomination etc.

The role of the Investors/ Stakeholders Relationship Committee as specified in Part of the Schedule II of the Listing Regulations has been included in the terms of reference of the Stakeholders Relationship Committee.

Broad Terms of Reference of the Committee inter-alia include:

- 1) Approval and monitoring of transfer, transmission, split, consolidation and dematerialization, re-materialization of shares and issuance of duplicate share certificates by the Company as per the approval matrix.
- 2) Overseeing various issues relating to shareholders, including redressal of complaints relating to transfer of shares, non-receipt of annual reports, dividend declared etc.

3) Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividend and ensuring timely receipt of dividend warrants/ annual reports/ statutory notices by the shareholders of the Company.

Shareholders complaints are redressed through SEBI Complaints Redress system (SCORES).

4. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The terms of reference of CSR Committee includes framing the CSR Policy and reviewing it from time to time to make it more comprehensive so as to indicate the activities to be undertaken by the Company as specified in schedule VII of the Act and Rules made thereunder and to provide guidance on various CSR activities to be undertaken by the Company and to monitor its progress.

Members of the Committee are:

- a) Mr. Mahesh Kumar Bajaj- Whole-time Director
- b) Mr. Sudheer Kumar Jain- Whole-time Director
- c) Mr. Sameer Bajaj-Independent Director

Mr. Sameer Bajaj, one of the Independent Director of the Company, is the Chairman of the Committee. The Company Secretary is the Secretary to the Committee.

5. INDEPENDENT DIRECTORS COMMITTEE

During the year under review, a separate meeting of the Independent Directors (without the attendance of the non-independent Directors and members of the management of the Company) was held on March 19, 2022, inter alia to discuss:

- i. Evaluation of performance of Non-Independent Directors and the Board as a whole.
- ii. Evaluation of performance of the Chairman of the Company taking into account the views of the Executive and Non-executive Directors and
- iii. Evaluation of the quality, content and timelines of the flow of information between the Management and the Board and that is necessary to effectively and reasonably perform their duties.

All the Independent Directors had attended the meeting. The performance of the non-independent directors, the Board as a whole and Chairman of the Company was evaluated by the Independent Directors and non-executive directors.