



## LAHOTI OVERSEAS LTD.

REGD OFFICE:  
307, ARUN CHAMBERS, TARDEO ROAD,  
MUMBAI - 400 034 INDIA  
TEL.:91-22-23516389/90  
FAX :91-22-23511930  
E-Mail : umesh@lahotioverseas.com  
Website: www.lahotioverseas.in

### POLICY FOR DETERMING MATERIAL SUBSIDIARY OF THE COMPANY

#### I] Introduction:

In view of the revised Clause 49 of the Listing Agreement, this policy is devised to determine which of the subsidiary Companies will fall under the category of ‘material’ subsidiary of the Company and accordingly compliance of Clause 49 applicable to a material subsidiary Company will be made.

#### II] Definitions and Interpretations

In this Policy, unless the context otherwise requires:

- a) “**Act**” means the Companies Act, 2013 and the Rules framed thereunder, including any modifications, amendments, clarifications, circulars or re-enactment thereof.
- b) “**Audit Committee**” shall mean the Audit Committee of the Board of Directors of Lahoti Overseas Limited by whatever name called framed under the provisions of Act and Listing Agreement.
- c) “**Board**” shall mean the Board of Directors of Lahoti Overseas Limited.
- d) “**Independent Director**” shall mean a Director of the Company who satisfies the criteria laid down under Section 149 of the Companies Act, 2013.





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e) **“Net worth”** shall mean an aggregate of “paid up capital” and “free reserve” of the Company.

f) **“Significant transaction or arrangement”** shall mean any individual transaction or arrangement that exceeds or is likely to exceed 10% of any of the total revenues or total expenses or total assets or total liabilities, as the case may be, of the material unlisted subsidiary for the immediately preceding accounting year.

**g) MATERIAL SUBSIDIARY:**

For the purpose of Clause 49 V of the Listing Agreement a subsidiary of the Company shall be considered as Material Subsidiary if, the investment of the Company in the subsidiary exceeds 20% of consolidated net worth of the Company as per the audited balance sheet of the Company the previous financial year or if the subsidiary has generated 20% of the consolidated income of the Company during the previous financial year.

Based on the above mentioned criteria none of the Subsidiaries of the Company is a material subsidiary of the Company.





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Any word used in this policy but not defined herein shall have the same meaning ascribed to it in the Act, SEBI Act or Rules and Regulations made thereunder, Listing Agreement, Accounting Standards or any other relevant legislation / law applicable to the Company. In case of any dispute or differences between this Policy and provisions of Act / Listing Agreement, the later shall apply.

### **Compliance for 'material' subsidiary:**

1) The Company shall not dispose of shares in its material subsidiary which would reduce its shareholding (either on its own or together with other subsidiaries) to less than 50% or cease the exercise of control over the subsidiary without passing a special resolution in its General Meeting except in cases where such divestment is made under a scheme of arrangement duly approved by a Court/Tribunal.

“Control” for this purpose has the same meaning as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

2) The selling, disposing and leasing of assets amounting to more than 20% of the assets of the material subsidiary shall require prior approval of shareholders of the Company by way of special resolution except in cases where such sale/disposal/lease is made under a scheme of arrangement duly approved by a Court/Tribunal.





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### **Compliances by Step Down Subsidiaries:**

Where a listed holding Company has a listed subsidiary which is itself a holding Company, the above provisions shall apply to the listed subsidiary insofar as its subsidiaries are concerned.

### **Disclosures And Amendment:**

- a) The Compliance with the requirements of this policy is to be mentioned in the quarterly compliance report submitted to the stock exchanges.
- b) The Board of Directors shall be authorized to review or amend any of the provisions of this Policy, substitute any of the provisions with a new provisions or replace this Policy entirely with a new Policy.
- c) The Board may also establish further rules and procedures, from time to time, to give effect to the intent of this Policy and further the objective of good corporate governance.

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