

Policy on Criteria for determining Materiality of events/information

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LEGAL FRAMEWORK

The Board of Directors of Lahoti Overseas Limited (the '**Company**') adopted a 'Policy for determination of Materiality' under 'Regulation 30' of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Policy shall be effective from December 2, 2015.

OBJECTIVE

Pursuant to the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the "Regulations"), the Company is under an obligation to make disclosure of any events or information which, in the opinion of the Board of Directors is material.

The objective of this policy is therefore to lay down the criteria for determination of materiality of events and information that need to be disclosed to the Stock Exchanges as and when they take place in the Company and other matters related thereto.

DEFINITIONS

Act shall mean the Companies Act, 2013 and the Rules framed thereunder, including any modifications, clarifications, circulars or re-enactment thereof.

Board of Directors or **Board** means the Board of Directors of Lahoti Overseas Limited, as constituted from time to time.

Company means Lahoti Overseas Limited.

Key Managerial Personnel mean Key Managerial Personnel as defined in sub-section (51) of section 2 of the Companies Act, 2013;

Listing agreement shall mean an agreement that is to be entered into between a recognised stock exchange and the Company pursuant to Securities and Exchange Board (Listing Obligations and Disclosure Requirements), 2015

Regulations mean Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any modifications, clarifications, circulars or re-enactment thereof.

Schedule means a Schedule III of (Listing Obligations and Disclosure Requirements) Regulations, 2015

Material Event” or “Material Information shall mean such event or information as set out in the Schedule or as may be determined in terms of the Regulations. In the Policy, the words, “material” and “materiality” shall be construed accordingly.

Policy means this Policy on criteria for determining Materiality of events or information and as may be amended from time to time.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the Listing Agreement, Regulations or any other applicable law or regulation to the extent applicable to the Company.

GUIDELINES FOR DETERMINATION OF MATERIALITY

Following are the criteria which shall be applied to determine materiality for the purpose of making disclosure of events specified in Annexure A in terms of the Regulation;

- (a) For points 1 to 9 of Annexure A having an impact of 30% or more of the gross turnover or revenues or total income or 30% of the net worth, whichever is lower, as per the last audited accounts of the Company;
- (b) For Fraud/defaults etc. by directors (other than key managerial personnel) or employees of Company involving financial impact of Rs. 200 Lakh or more;

- (c) For Options to purchase securities including any ESOP/ESPS Scheme, if any, amounting to 5% of the post-issue equity capital;
- (d) For Giving of guarantees or indemnity or becoming a surety for any third party in excess of 10 % of the net worth of the Company as per last audited accounts.

AUTHORIZATION FOR DETERMINING MATERIALITY

The Board of Directors of the Company has authorized Managing Director, CFO and Company Secretary to determine jointly materiality of event or information that has taken place, for the purpose of making adequate disclosure to the Stock Exchanges.

The contact details of Managing Director, CFO and Company Secretary shall be disclosed to the Stock Exchanges and be posted on the Company's website.

The Company shall disclose the material events first to the Stock Exchange not later than twenty four (24) hours from the occurrence of such event. In case the Company fails to disclose the event within stipulated time, it shall provide an explanation for such delay.

DISSEMINATION OF POLICY

The Policy shall be hosted on website of the Company viz; www.lahotioverseas.in

POLICY REVIEW

The Policy shall be subject to review of the Board and Managing Director is authorised to amend it suitably as may be deemed necessary in accordance with any regulatory requirements/ amendments.

Annexure A

Events which shall be disclosed upon application of the guidelines for materiality:

1. Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division;
2. Change in the general character or nature of business brought about by arrangements for strategic, technical, manufacturing, or marketing tie-up, adoption of new lines of business or closure of operations of any unit/division (entirety or piecemeal);
3. Capacity addition or product launch;
4. Awarding, bagging/ receiving, amendment or termination of awarded/bagged orders/contracts not in the normal course of business;
5. Agreements (viz. loan agreement(s) (as a borrower) or any other agreement(s) which are binding and not in normal course of business) and revision(s) or amendment(s) or termination(s) thereof;
6. Disruption of operations of any one or more units or division of the Company due to natural calamity (earthquake, flood, fire etc.), force majeure or events such as strikes, lockouts etc.;
7. Effect(s) arising out of change in the regulatory framework applicable to the Company;
8. Litigation(s) / dispute(s) / regulatory action(s) with impact;
9. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals;

10. Fraud/defaults etc. by directors (other than key managerial personnel) or employees of Company;
11. Options to purchase securities including any ESOP/ESPS Scheme;
12. Giving of guarantees or indemnity or becoming a surety for any third party;
