

LAKE SHORE REALTY LIMITED

CIN No: L68100DL1987PLC350285

POLICY FOR DETERMINING MATERIAL SUBSIDIARY

EFFECTIVE DATE- 23RD MAY, 2026

1. Introduction

As per Regulation 16(1)(c) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["Regulations"] requires every listed company to have a policy for determining material subsidiary.

2. Objective:

The objective of this Policy is to determine the Material Subsidiaries of the Company and to provide the corporate governance framework as mentioned in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for such subsidiary(ies).

3. Definitions:

- i "Company" means Lake Shore Realty Limited.
- ii "Control" shall have the same meaning as assigned to it under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
- iii "Policy" means this policy for determining the material subsidiaries of the Company.
- iv "Subsidiary" or "Subsidiaries" means subsidiary or subsidiaries of the Company as defined in sub-section (87) of Section 2 of the Companies Act, 2013.
- v "Net worth" means net worth as defined in sub-section (57) of Section 2 of the Companies Act, 2013.
- vi "Material Subsidiary" shall mean material subsidiary as defined in regulation 16(1)(c) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

4. Identification of Material Subsidiary:

A subsidiary shall be considered as material if:

- turnover of the subsidiary exceeds 10% of the consolidated turnover of the Company and its subsidiaries in the immediately preceding accounting year.
- net-worth of the subsidiary exceeds 10% of the consolidated net-worth of the Company and its subsidiaries in the immediately preceding accounting year

4. Corporate Governance Framework of Material Subsidiary:

- (i) At least one Independent Director on the Board of Directors of the Company shall be a Director on the Board of Directors of an unlisted material subsidiary whether incorporated in India or not.

For the purpose of compliance with the above, the term "Material Subsidiary" shall mean a subsidiary, whose turnover or net worth exceeds 20% of the consolidated turnover or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

- (ii) The Audit Committee of the Board of the Company shall review the financial statements, in particular, the investments made by the Unlisted Subsidiary Company.
- (iii) The minutes of the Board Meeting of the Unlisted Subsidiary Companies shall be placed before the Board of the Company.

- (iv) The management of the Unlisted Subsidiary shall periodically bring into the notice of the Board of Directors of the Company, a statement of all significant transactions and arrangements entered into by the unlisted subsidiary company.

For the purpose of compliance with the above, significant transactions and arrangement shall mean any individual transaction or arrangement that is likely to exceed ten percent of the total revenue or total expenses or total assets or total liabilities, as the case may be, of the unlisted subsidiary for the immediately preceding accounting year.

5. Restriction on Disposal of Material Subsidiary:

- Restriction on disposal of shares

The Company shall not dispose of shares in its material subsidiary resulting of the shareholding (either on its own or together with other subsidiaries) to less than or equal to fifty percent or cease the exercise of control over the subsidiary without passing a special resolution in General Meeting except in cases where such divestment is made under a scheme arrangement duly approved by a Court/Tribunal, or under a resolution plan duly approved under section 31 of the Insolvency Code and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved

- Restriction on disposal of Assets

Selling, disposing and leasing of assets amounting to more than twenty percent of the assets of the material subsidiary on an aggregate basis during a financial year shall require prior approval of shareholders by way of special resolution, unless the sale/disposal/lease is made under a scheme of arrangement duly approved by a Court/Tribunal, or under a resolution plan duly approved under section 31 of the Insolvency Code and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved

Nothing contained in this clause shall be applicable if such sale, disposal or lease of assets is between two wholly-owned subsidiaries of the listed entity.

6. Secretarial Audit

Every material unlisted subsidiary of the Company incorporated in India shall undertake secretarial audit by a Secretarial Auditor who shall be a Peer Reviewed Company Secretary and shall annex a Secretarial Audit Report in such form as specified, with the annual report of the Company.

7. Policy Review:

In case of any subsequent changes in the provisions of the Companies Act, 2013 or the Listing Regulations or any other applicable law which makes any of the provisions in this Policy inconsistent with the Companies Act, 2013 or Listing Regulations or such applicable law, the provisions of the Companies Act, 2013 or Listing Regulations or such applicable law would prevail over the Policy and the provisions in this Policy would be modified in due course to make it consistent with such changes.

The Board of Directors, will review this policy as often as it considers necessary to ensure that it meets the objectives of the relevant laws and remains effective.

Note:

Presently, the Company does not have any material subsidiary. The provisions of this Policy shall apply and be complied with whenever applicable in future.

Pursuant to the provisions of Regulation 15(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("SEBI Listing Regulation"), the compliance with the corporate governance provisions as specified in Regulations 17 to 27 and clauses (b) to (i) and (t) of Regulation 46(2) and Para C, D and E of Schedule V of SEBI Listing Regulations which specifies that the provisions of Corporate Governance shall not be applicable on listed entity. However, the Company shall ensure compliance with the applicable provisions as and when they become applicable to the Company in future, within the prescribed timelines under the applicable laws and regulations.

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