



POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

1. INTRODUCTION

The Board of Directors (the “Board”) of Likhitha Infrastructure Limited (the “Company”) has adopted the policy for determining of Material Subsidiary (“Policy”) in accordance with the requirements of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

2. PURPOSE

This policy is framed as per requirement of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 and intended to ensure that Board of Directors has overall supervision of functioning of Subsidiaries of the Company and regulate the investments of the Company in Subsidiaries.

3. DEFINITIONS

“**Board**” means the Board of Directors of the Company.

“**Company**” means Likhitha Infrastructure Limited.

“**Material subsidiary**” shall mean a subsidiary whose income or net worth exceeds twenty percent of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

“**Policy**” means this Policy for Determining Material Subsidiaries of the Company.

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

“**Subsidiary**” shall mean a subsidiary as defined under the Companies Act, 2013.

All other words and expressions used but not defined in this policy, but defined in the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and/or the rules and regulations made thereunder shall have the same meaning as respectively assigned to them in such Acts or rules or regulations or any statutory modification or re-enactment thereto, as the case may be.

4. POLICY

- 4.1 At least one independent director on the Board of Directors of the listed entity shall be a director on the Board of Directors of an unlisted material subsidiary.
- 4.2 The Audit Committee of the listed entity shall also review the financial statements, in particular, the investments made by the unlisted subsidiary.
- 4.3 The minutes of the Board meetings of the unlisted subsidiary shall be placed at the Board

meeting of the listed entity.

- 4.4 The management of the unlisted subsidiary shall periodically bring to the notice of the board of directors of the listed entity, a statement of all significant transactions and arrangements entered into by the unlisted subsidiary.
- 4.5 The management shall present to the Audit Committee annually the list of such Subsidiaries together with the details of the materiality defined herein. The Audit Committee shall review the same and make suitable recommendations to the Board including recommendation for appointment of Independent Director in the unlisted material Subsidiary.
- 4.6 The Company, without the prior approval of the members by special resolution or a resolution with majority as may be prescribed under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, shall not:
- a) Dispose shares in the Material Subsidiary that reduces its shareholding (either on its own or together with other subsidiaries) to less than 50%; or
 - b) Ceases the exercise of control over the Material Subsidiary; or Sell, dispose of or lease the assets amounting to more than 20% of the assets of the Material Subsidiary on an aggregate basis during an accounting year;

Except in cases where such divestment, sale, disposal, lease as the case may be is made under a scheme of arrangement duly approved by the Court / Tribunal.

- 4.7 The Audit Committee shall put in place mechanism to implement this policy and is also authorized to delegate any / all of its powers and duties herein to any Director(s) and / or officers of the Company.

5. DISCLOSURE

The Company shall disclose the policy on its website and a web link thereto shall be provided in the Annual Report.

6. AMENDMENTS

The Board of Directors on its own and / or as per the recommendations of Audit Committee can amend this Policy, as and when deemed fit. Any or all provisions of this Policy would be subject to revision / amendment in accordance with the Rules, Regulations, Notifications etc. on the subject as may be issued by relevant statutory authorities, from time to time. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.