POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

OBJECTIVE AND REGULATORY FRAMEWORK

The objective of this policy is to determine Material Subsidiary of UNIVASTU INDIA LTD.

The Policy is framed in accordance with the requirements of Regulation 24 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, (including any amendment thereof, from time to time) and is intended to ensure governance of the Company's material subsidiary companies in conjunction with regulatory provisions and other company policies.

This policy may be reviewed, amended and adopted at the discretion of the Board of Directors from time to time.

DEFINITIONS:-

- "**Audit Committee**" means the Audit Committee constituted by the Board of Directors of the Company in accordance with Section 177 of the Companies Act, 2013 read with relevant rules framed thereunder and Regulation 24 of the SEBI (LODR), 2015 with the Stock Exchanges as may be applicable.

- "**Company**" means UNIVASTU INDIA LTD

- "**Holding Company**" means a Company as defined under clause 2(46) of the Companies Act, 2013.

- "**Independent Director**" means a director of the Company as defined under the Companies Act, 2013 and who satisfies the criteria of Independence under the Companies Act 2013, Listing Agreement with the Stock Exchanges and the amendments thereto from time to time.

- "**Material Subsidiary**" means a subsidiary shall be considered as material if the investment of the company in the subsidiary exceeds 20% of its consolidated net worth as per the audited balance sheet of the previous financial year or if the subsidiary has generated 20% of the consolidated income of the company during the previous financial year.

- "**Policy**" means a policy on material subsidiary/ies.

- "**Subsidiary Company**" as defined under clause 2(87) of the Companies Act, 2013.

- "**Significant transaction or arrangement**" means any individual transaction or arrangement that exceeds or is likely to exceed 10% 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.

BASIS OF DETERMINING MATERIAL SUBSIDIARY:-

- This Policy lays down the basis of determining Material Subsidiaries of the Company and related issues as specified in the provisions of Regulation 24 of SEBI (LODR), 2015 with the Stock Exchanges.

- A Subsidiary shall be considered as material if the investment of the Company in the subsidiary exceeds 20% of its consolidated net worth as per the audited Balance Sheet of the previous financial year or if the Subsidiary has generated 20% of the consolidated income of the Company during the previous financial year.

- On the basis of the above, the Company shall determine `material subsidiary'.

PROVISIONS:-

- On recommendation of the Nomination and Remuneration Committee of the Company, atleast one independent Director of the Company shall be a director on the Board of Directors of the material non-listed Indian subsidiary company.
- The Audit Committee of the Company shall review the Financial Statements, in particulars the investments made by the unlisted subsidiary company.
- The minutes of the Board Meetings of the unlisted subsidiary companies shall be placed periodically before the Board of Directors of the listed holding Company.
- A statement of all significant transactions and arrangements entered into by the unlisted subsidiary company shall be periodically placed before the Board of Directors of the listed holding Company.
- The Management shall present to the Audit Committee on an annual basis, a list of Material Subsidiaries together with the details of the materiality criteria stated above.
- 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;
- If the material subsidiary wants to sell, dispose & lease of assets amounting to more than 20%of its assets on an aggregate basis during a financial year, the same can only be done with the prior approval of the shareholders of the holding Company by way of passing special resolution in its General Meeting, unless the sale/disposal/lease is made under a scheme of arrangement duly approved by Court/Tribunal;
- The subsidiary Company shall give reasonable notice about the intention of such sale, disposal and lease to the holding Company before entering into such transaction. The holding Company shall provide the necessary approval of the shareholders within 3 months from the date of receipt of the said notice. If for any reason, it not feasible to for the holding Company to get the shareholders' approval within three months then within such time acceptable to the Subsidiary Company.

DISCLOSURES:-

The policy for determining material subsidiaries is to be disclosed vide a web link in the Annual Report of the Company as per the provisions of law in force. This policy shall also be uploaded on the website of the Company at www.prakashconstro.com

NOTE:-
Where a listed holding Company has a listed subsidiary which is itself a holding Company, the above provisions shall apply to the listed subsidiary in so far as its subsidiaries are concerned.

AMENDMENT:-

The Board of Directors of the Company reserves the right to amend or modify this Policy in whole or in part, at any point of time.