

REPORT OF THE COMMITTEE OF INDEPENDENT DIRECTORS OF VENTURA GUARANTY LIMITED ("TRANSFEREE COMPANY" OR "VGL" OR "THE COMPANY") RECOMMENDING THE DRAFT SCHEME OF MERGER BY ABSORPTION OF KASHMIRA INVESTMENT AND LEASING PRIVATE LIMITED (KILPL OR "TRANSFEROR COMPANY") WITH VENTURA GUARANTY LIMITED (VGL OR "TRANSFEREE COMPANY") AND THEIR RESPECTIVE SHAREHOLDERS UNDER SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND RULES FRAMED THEREUNDER AT ITS MEETING HELD ON 29TH JUNE, 2024 AT 11.30 A.M. IST AT THE REGISTERED OFFICE OF THE COMPANY AT 8TH FLOOR, B-WING, I-THINK TECHNO CAMPUS, POKHRAN ROAD NO.2, OF EASTERN EXPRESS, HIGHWAY, THANE - 400607, MAHARASHTRA

Present:

1. Mr. Ganesh Acharya
2. Mr. Manish Patel

In Attendance:

Sudha Ganapathy - Company Secretary & CFO

1. Background

- 1.1 A meeting of the Independent Director Committee of the Company was held on 29th June, 2024, to consider and, if thought fit, recommend to the Board of Directors of the Company, the proposed scheme of merger by Absorption of Kashmira Investment And Leasing Private Limited (the "Transferor Company" or "KILPL") with Ventura Guaranty Limited (the "Transferee Company" or "VGL") and their respective shareholders pursuant to Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("Act") and Rules framed thereunder ("Scheme").
- 1.2 The Transferee Company, i.e., VGL, is a listed public limited company within the meaning of the Act. The equity shares of the Company are listed on the BSE Limited ("BSE") (referred as the "Stock Exchange").
- 1.3 The Transferor Company, i.e., KILPL, is a private limited company incorporated under the Companies Act, 1956. The equity shares of Transferor Company are presently not listed on the Stock Exchanges. The Transferee Company i.e "VGL" holds 87,698 Equity shares (10.06%) in the share capital of Transferor Company i.e. "KILPL".



VENTURA GUARANTY LIMITED

1.4 In terms of the SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 ("SEBI Scheme Circular"), a report from the Independent Director Committee ("Committee") recommending the draft Scheme is required, taking into consideration, inter alia, that the Scheme is not detrimental to the shareholders of the Company.

1.5 The following documents were placed before the Committee for its consideration:

- a) A draft of the Scheme;
- b) Valuation Report from M/s. Payal Gada & Co., Chartered Accountants, Registered Valuer, for determining the Share Entitlement Ratio ("SER") for the issuance of shares of the Transferee Company to the shareholders of the Transferor Company pursuant to the Scheme;
- c) Fairness Opinions from M/s. Systematix Corporate Services Limited, an independent SEBI registered Category I Merchant Banker, on the Share Entitlement Ratio "SER" ("Fairness Opinion");
- d) The Statutory Auditor's Certificate from M/s. G. K. Choksi & Co., Chartered Accountants, dated 29th June, 2024, certifying that the accounting treatment contained in the draft Scheme is in compliance with all the applicable Accounting Standards specified by the Central Government under Section 133 of the Companies Act, 2013 and the rules made thereunder and the Accounting Standards issued by ICAI, as applicable, and other generally accepted accounting principles.

2. Salient Features of the proposed Scheme:

The Committee discussed and noted the salient features of the proposed Scheme, the rationale of proposed Scheme, and the impact of the proposed Scheme on the shareholders of the Company:

2.1 In terms of the Scheme, upon the Scheme becoming effective, the Transferee Company will issue shares to the shareholders of the Transferor Company in the ratio :

Eighty-Four (84) fully paid-up Equity Shares of Rs. 10/- each of the Transferee Company shall be issued and allotted for every One Hundred (100) fully paid-up Equity Shares of Rs. 10/- each held in the Transferor Company ("Share Entitlement Ratio")."

2.2 The equity shares issued by the Transferee Company will be listed and admitted to trading on the Stock Exchange in compliance with SEBI Scheme circular and other relevant provisions as applicable.



2.3 The Appointed Date in respect of the Scheme shall be 1st April, 2024 or such other date as the National Company Law Tribunal, Mumbai Bench ("NCLT") may direct or fix.

2.4 The Scheme is and shall be subject to certain conditions precedent therein, including:

- Obtaining no-objection/ observation letter from the Stock Exchange in relation to the Scheme under Regulation 37 of the LODR.
- Obtaining prior approval from RBI for transfer of NBFC business of the Transferor Company.
- The approval of the Scheme by the requisite majority of the respective members and/ or creditors and such class of persons of the Transferor Company and the Transferee Company, as required in terms of the applicable provisions of the relevant Act as well as any requirements that may be stipulated by the relevant Adjudicating Body in this respect.
- The approval of the shareholders of Transferor Company and Transferee Company through e-voting and/or other mode as may be required under any applicable law and the SEBI circular, after disclosure of all material facts in the explanatory statement (including the applicable information pertaining to the Transferor Company in the format specified for abridged prospectus as provided in Part E of Schedule VI of the ICDR Regulations) or notice or proposal accompanying resolution to be passed sent to the shareholders. The Scheme is conditional upon being approved by the public shareholders of the Transferee Company through e-voting in terms of Part- I(A)- (10) (a) and (10)(b) of SEBI Master Circular No. SEBI/HO/CFD/POD -2 /P/ CIR / 2023/93 dated June 20, 2023 and the Scheme shall be acted upon only if votes cast by the public shareholders of the Transferee Company in favour of the proposal are more than the number of votes cast by the public shareholders of the Transferee Company against it.
- Sanction of the relevant Adjudicating Body, being obtained under Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Act, if so required on behalf of the Transferor Company and the Transferee Company.
- The necessary certified copies order under Sections 230 to 232 of the Act, and other applicable provisions of Act are duly filed with the Registrar of Companies, Maharashtra, Mumbai.
- All other sanctions and approvals as may be required by law in respect of the Scheme being obtained.

2.5 Rationale of the proposed Scheme:



- VGL holds 10.06% in KILPL. As stated above, both KILPL and VGL are registered NBFCs. Considering the overlap of business activities, it is proposed to integrate the respective business activities of both entities in a single entity. This will enable following:
 - Focused and holistic approach of the management towards combined business operations;
 - Integration of business operations would enable the Transferee Company to provide significant impetus to its growth;
 - Create value for stakeholders, including respective shareholders, customers, lenders and employees as the combined business would benefit from increased scale, innovations in technology and expanded reach with increased growth opportunities, higher cross selling opportunities to a larger base of customers, improvement in productivity and operational efficiencies, amongst others;
 - Avoidance of duplication of administrative functions, reduction in multiplicity of legal and regulatory compliances;
 - Pooling of common resources leading to operational synergies;
 - Reduction in number of entities;
 - Operating synergies resulting in cost optimisation, reduction in the number of Non-Banking Financial companies through surrender of NBFC license to the RBI as a result of the Amalgamation.
- There is no likelihood that any shareholder or creditor or employee of KILPL and VGL would be prejudiced as a result of the Scheme. Thus, the merger is in the interest of the shareholders, creditors and all other stakeholders of the companies and is not prejudicial to the interests of the concerned shareholders, creditors or the public at large.

2.6 Scheme not detrimental to the shareholders:

The ID Committee discussed and deliberated upon the rationale and salient features of the Scheme, including as below:

- (i) Eighty-Four (84) fully paid-up Equity Shares of Rs. 10/- each of the Transferee Company shall be issued and allotted for every One Hundred (100) fully paid-up Equity Shares of Rs. 10/- each held in the Transferor Company." ("Share Entitlement Ratio")



(ii) The shares issued by Transferee Company will be listed on the Stock Exchanges.

(iii) There will be no detrimental impact on the shareholders of the Company due to the proposed Scheme, given all shareholders of the Company shall, upon the effectiveness of the Scheme be issued with equity shares by Transferee Company in the ratio set above.

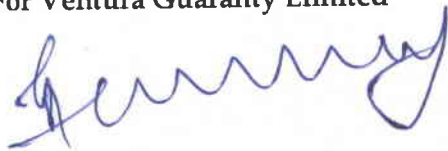
(iv) The Scheme has the advantages set out in Paragraph 2.5 above.

On the basis of the above, the ID Committee concluded that the Scheme is not detrimental to the shareholders of the Company.

3. Recommendation of the Independent Directors' Committee:

The ID Committee, after due deliberations and due consideration of all the terms of the draft Scheme, the above rationale, the Valuation Report, the Fairness Opinion, Certificate issued by the Statutory Auditor and the specific points mentioned above including that the Scheme is not detrimental to the shareholders of the Company, approves and recommends the draft Scheme for favourable consideration and approval by the Board of Directors of the Company, Stock Exchange, and other appropriate authorities.

**By order of the Independent Directors' Committee
For Ventura Guaranty Limited**



Ganesh Acharya

Chairman of the Committee

DIN: 00702346

Place: Thane

Date: 29.06.2024