

VENTURA GUARANTY LIMITED POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

➤ **TITLE:**

This policy shall be called “Policy for determining Material Subsidiaries”.

➤ **COMMENCEMENT:**

- a. This policy is framed in accordance with the requirement of revised clause 49 of the listing agreement (including any amendments thereof) and is intended to ensure governance of material subsidiary companies.
- a. The Policy for determining material subsidiaries is to be disclosed in the Annual Report of the Company, as per the provisions of laws in force. The policy shall also be uploaded on the website of the Company at <https://venturagaranty.com>

➤ **POLICY OBJECTIVE :**

To determine the Material Subsidiaries of Ventura Guaranty Limited and to provide the governance framework for such subsidiaries.

➤ **DEFINITIONS:**

- a. “Board” means the Board of Directors of VGL, as constituted from time to time.
- b. “Company” means Ventura Guaranty Limited.
- c. “Policy means this Policy, as amended from time to time.
- d. “Audit Committee or Committee” means “Audit Committee” constituted by the Board of Directors of the Company, from time to time, under provisions of Listing Agreement with the Stock Exchanges and The Companies Act, 2013.
- e. “Independent Director” means a director of the Company, not being a whole time director and who is neither a promoter nor belongs to the promoter group of the Company and who satisfies other criteria for independence under the Companies Act, 2013 and the Listing Agreement with the Stock Exchanges.
- f. “Material Non Listed Indian Subsidiary” shall mean a Material Subsidiary which is incorporated in India and is not listed on the Indian Stock Exchanges.

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- g. "Significant Transaction or Arrangement" shall mean 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.
- h. "Subsidiary" shall be as defined under the Companies Act, 2013 and the Rules made thereunder.

➤ **POLICY:**

- a. 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 twenty percent of the consolidated income of the Company during the previous financial year.
- b. A "material non-listed Indian subsidiary" shall mean an unlisted subsidiary, incorporated in India, whose income or net worth (i.e. paid up capital and free reserves) exceeds 20% of the consolidated income or net worth respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year.
- c. One Independent Director of the Company shall be a director on the Board of the Material Non-Listed Indian Subsidiary Company.
- d. The Audit Committee of Board of the Company shall review the financial statements, in particular, the investments made by the unlisted subsidiary Company on an annual basis.
- e. The minutes of the Board Meetings of the Unlisted Subsidiary Companies shall be placed before the Board of the Company on an half yearly basis.
- f. The management shall on a half yearly basis bring to the attention of the Board of Directors of the Company, a statement of all Significant Transactions and Arrangements entered into by the unlisted subsidiary company.
- g. The management shall periodically bring to the attention of the Audit

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Committee and Board of Directors of the Company, a statement of all significant transactions & arrangements entered into by the material unlisted subsidiary company;

➤ **IDENTIFICATION OF 'MATERIAL' SUBSIDIARY:**

The Company without passing a special resolution in its General Meeting shall not:-

- dispose shares in the material subsidiary which would reduce its shareholding (either on its own or together with other subsidiaries) to less than 50% or
 - dispose shares in the material subsidiary which would cease the exercise of control over the subsidiary or
 - sell, dispose or lease the assets amounting to more than 20% of the assets of the material subsidiary on an aggregate basis during a financial year,
- Unless in cases where the disinvestment/sale/disposal/lease is made under a scheme of arrangement duly approved by a Court/ Tribunal.

➤ **POLICY REVIEW:**

- a. This policy is framed pursuant to the provisions of the Companies Act 2013 and rules thereunder and the requirements of the clause 49 of the Listing agreement with the stock exchanges.
- b. In case of any subsequent changes in the provisions of the Companies Act 2013 or any other regulations which makes any of the provisions in the policy inconsistent with the Act or regulations, then the provisions of the Act or regulations would prevail over the policy and the provisions in the policy would be modified in due course to make it consistent with law.

➤ **AMENDMENTS:**

This policy shall be reviewed by the Audit Committee as and when any changes are to be incorporated in the policy due to change in regulations or as may be felt appropriate by the Committee. Any changes or modification on the policy as recommended by the Committee would be given for approval of the Board of Directors.

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