VENTURA TEXTILES LIMITED

(CIN: L21091MH1970PLC014865)

POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

**Policy for Determining Material Subsidiary**

(Policy approved and Adopted by the Board of Directors of the Company on May 11th 2020)

**Objective:-**

This Policy is framed in accordance with the requirement stated under SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 and is intended to ensure governance of material Subsidiaries companies of Ventura Textiles Limited. In determining whether or not a subsidiary of the company is or has become a material subsidiary, the company shall be guided by and follow this policy and applicable provisions of the LODR regulations. Whether there is conflict between this policy and LODR Regulations, the provisions of the LODR regulations prevail in making such determination.

**Definitions**:-

In this Code unless the context otherwise requires:-

“**Company**” means Ventura Textiles Limited

“**Audit Committee**” means the committee constituted by the Board of directors by the company, from time to time, in accordance with the section 177 of the companies’ act 2013 and Regulation 18 of the LODR Regulation.

“**Independent Director**” Shall mean who satisfies the Criteria of the independence under the Companies Act 2013 & LODR Regulations, as amended from time to time.

“**Material Subsidiary**” shall have the meaning as defined in the Regulation 16(1)(c) of the LODR regulations, pursuant to which a material subsidiary means a subsidiary, whose income or net worth exceeds 10%(ten percent) of the consolidated income or net worth respectively, of the company and its subsidiaries in the immediately preceding accounting year.

“**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 unlisted subsidiary for the immediately preceding accounting year.

“**Subsidiary**” shall mean as defined under section 2(87) of the companies act, 2013 and the rules made thereunder.

“**Unlisted Subsidiary**” means subsidiary of the company whose securities are not listed on any stock exchange(s) in India provided that where this term is defined (whether by way of definition, clarification or explanation) under the LODR Regulations, it shall have the meaning as per such definition.

All terms used in the policy, but not defined above shall have the meanings ascribed to the act or Regulation, as the case may be.

**Governance Framework**:-

1. At least one independent director on the board of directors of the company shall be a director on the board of directors of the unlisted material subsidiary, whether incorporated in India or not.

Explanation- For the purpose of this provision, the term material subsidiary shall mean a subsidiary, whose income or net worth exceeds 20% (twenty percent) of the consolidated income or net worth respectively, of the listed entity and its subsidiary in the immediately preceding accounting year.)

1. The Audit Committee of the Company shall review the Financial Statements, in particular, the investments made by the unlisted subsidiary company (including the unlisted material subsidiary).
2. The minutes of the Meetings of the board of directors of the unlisted Subsidiary (including the unlisted material subsidiary) shall be placed at the meeting of the board of directors of the company.
3. The management of the unlisted subsidiary shall periodically bring to the notice of the Board of Directors of the company, a statement of all significant transactions or arrangements entered into by the unlisted subsidiary (including unlisted material subsidiary).

**Secretarial Audit of Material Subsidiary**

Every company and its material unlisted subsidiaries incorporated in India shall undertake secretarial Audit and shall annex with its annual report, a secretarial audit report, given by a company secretary in Practice, with effect from the year ended March 31, 2019.

**Disposal of Material Subsidiary**

The Company shall not dispose of shares in its material subsidiary resulting in reduction of its shareholding (either on its own or together with other subsidiaries) to less than fifty percent 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, or under 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.

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 recognized stock exchanges within one day of the resolution plan being approved.

**Amendment to the Policy**

The Board shall have the power to clarify the doubts or rectify any anomalies that may exist in connection with the effective execution of this policy. The Board reserves the rights to amend this policy from time to time based on changing requirements as prescribed by SEBI/Stock Exchanges or any other appropriate Statutory Authority.

**Disclosure of the Policy**

The Company shall disclose this policy on its website. The necessary disclosure, if any, about the policy will also be made as per requirements of LODR Regulations and Companies Act 2013.

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