

AG VENTURES LIMITED
(FORMERLY ORIENTAL CARBON AND CHEMICALS LIMITED)
POLICY ON MATERIAL SUBSIDIARIES

1. Preamble

The following shall be the Policy on determining material subsidiaries of Oriental Carbon & Chemicals Limited ('Company'), as approved by the Company's Board of Directors. This Policy is subject to the Board's review and changes, as may be appropriate, from time to time in conformity with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Regulations"), as may be amended from time to time.

2. Objectives

- a) This Policy is framed in accordance with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any amendments thereof) and is intended to ensure governance of the subsidiary(ies) of the Company including subsidiary(ies) which are determined as 'material'.
- b) The Company is required to disclose the policy on its website and a web link thereto shall be provided in the Annual Report.

3. Definitions

- a) "Audit Committee" means the Audit Committee of Board of Directors of the Company;
- b) "Board" means the collective body of the Directors of the Company;
- c) "Material Subsidiary" means a subsidiary of the Company, whose income or net worth exceeds 10% of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.
- d) "Significant Transaction or Arrangement" means any individual transaction or arrangement that 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 Material subsidiary for the immediately preceding accounting year;
- e) "Subsidiary" means a company as defined under Section 2(87) of the Companies Act, 2013 and the Rules thereunder from time to time;
- f) "Policy" means this Policy on Material Subsidiaries.

4. Interpretation:

Any words used in this policy but not defined herein shall have the same meaning as prescribed to it in the Companies Act, 2013 or Rules made thereunder, SEBI Act, 1992 or Rules and Regulations made thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the amendments made therein or any other relevant legislation/law applicable to the Company.

5. Policy

- a) At least one Independent Director on the Board of the Company shall be a director on the board of directors of an unlisted material subsidiary, whether incorporated in India or not.

For the purpose of this clause, notwithstanding anything to the contrary contained in the Regulations and the policy, the term “material subsidiary” shall mean a subsidiary, whose income or net worth exceeds 20% of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

- b) Without the prior approval of the shareholders of the Company by means of a resolution as prescribed under applicable laws/regulations, the Company shall not:
- (i) Dispose of shares in its Material Subsidiary which would reduce its shareholding (either on its own or together with other subsidiaries) to less than fifty percent, or cease to exercise control over the Material Subsidiary except in cases where such divestment is made under a scheme of arrangement duly approved by a court or tribunal or under a 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;
 - (ii) sell/dispose/lease assets amounting to more than twenty percent of the assets of the Material Subsidiary on an aggregate basis during a financial year, unless the sale/disposal/lease is made under a scheme or arrangement duly approved by a court or tribunal or under a 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.
- c) The material unlisted subsidiary/ies incorporated in India shall undertake a secretarial audit and annex with its annual report, a secretarial audit report, given by a company secretary in practice.

Explanation:- For the purpose of clause (ii) above, notwithstanding anything to the contrary contained in this Policy, the term “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.

- d) Apart from the above, the following general compliances shall be adhered to by the Company with respect to all its Subsidiaries, whether or not they are Material Subsidiaries:

- (i) The Audit Committee and the Board of Directors of the Company shall review the financial statements, in particular, the investments made by the unlisted subsidiary company on an annual basis.
- (ii) The minutes of the Board meetings of the unlisted subsidiary company shall be placed at the Board meeting of the Company.
- (iii) The management shall periodically 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.
- (iv) 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.
- (v) 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.

6. Amendment

The Company reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever and amended policy shall be posted on the website of the Company.
