

KSK ENERGY VENTURES LIMITED

POLICY ON MATERIAL SUBSIDIARIES

TITLE

This Policy shall be called 'Policy for determining Material Subsidiaries'.

This Policy will be applicable to the Company effective 1 October 2014. This Policy is in terms of Clause 49 of the Listing Agreement with the Stock Exchanges.

POLICY OBJECTIVE

To determine the Material Subsidiaries of KSK Energy Ventures Limited and is intended to ensure governance of material subsidiary companies.

DEFINITIONS

“**Board**” means the Board of Directors of the Company.

“**Audit Committee or Committee**” means “**Audit Committee**” constituted by the Board of Directors of the Company, from time to time, as per the provisions of Listing Agreement with the Stock Exchanges and The Companies Act, 2013.

“**Company**” means KSK Energy Ventures Limited.

“**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.

“**Policy**” means this Policy, as amended from time to time.

“**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 financial year.

“**Subsidiary**” shall mean a subsidiary as defined under the Companies Act, 2013.

POLICY

- A subsidiary shall be a Material Subsidiary –
 - a) If the investment of the Company in the subsidiary exceeds twenty percent of its consolidated net worth as per the audited balance sheet of the previous financial year; or

- b) If the subsidiary has generated twenty percent of the consolidated income of the Company during the previous financial year.
- One Independent Director of the Company shall be a director on the Board of the Material Non-listed Indian Subsidiary Company.
- 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.
- The minutes of the Board meetings of the unlisted subsidiary company shall be placed at the Board meeting of the listed holding company on a half yearly basis.
- 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.

DISPOSAL OF MATERIAL SUBSIDIARY

The Company, without the prior approval of the members by Special Resolution, shall not:

- a. dispose shares in Material Subsidiaries that reduces its shareholding (either on its own or together with other subsidiaries) to less than 50%; or
- b. ceases the exercise of control over the Subsidiary; or
- c. sell, dispose or lease the assets amounting to more than twenty percent of the assets of the material subsidiary.

DISCLOSURE

The Company is required to disclose the policy on its website and a web link thereto shall be provided in the Annual Report.

INTERPRETATION

Any words used in this policy but not defined herein shall have the same meaning ascribed to it in the Companies Act, 2013 or Rules made thereunder, SEBI Act or Rules and Regulations made thereunder, Listing Agreement or any other relevant legislation / law applicable to the Company.