



## Asian Energy Services Limited

*(formerly Asian Oilfield Services Limited)*

### **Policy for determining 'Material Subsidiaries'**

## 1. Introduction

The Board of Directors (the “Board”) of Asian Energy Services Limited (the “Company”) has adopted the following policy and procedures with regard to determination of “Material Subsidiaries” as defined below. The Board may review and amend this policy from time to time. This Policy is in terms of Regulation 16 and 24 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”).

## 2. Objective

To determine the Material Subsidiary of Asian Energy Services Limited and to provide the governance framework for such subsidiaries.

## 3. Scope

The principles and obligations outlined in this Policy apply to all the Key Managerial Personnel and members of the Board of Directors of AESL and its subsidiary companies.

It is the responsibility of Board Members and Key Managerial Personnel to identify, understand and strictly adhere to the obligations under the policy.

## 4. Definitions and Abbreviations

4.1 “**Audit Committee or Committee**” means “Audit Committee” constituted by the Board of Directors of the Company, from time to time, under provisions of SEBI Listing Regulations and the Companies Act, 2013.

4.2 “**Board of Director**” or “**Board**” means the Board of Directors of Asian Energy Services Limited, as constituted from time to time.

4.3 “**Company**” means a company incorporated under the Companies Act, 2013 or under any previous company law.

4.4 “**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 the criteria for independence under the Companies Act, 2013 and the SEBI Listing Regulations.

4.5 “**Policy**” means Policy on Material Subsidiary.

4.6 “**Material Unlisted Subsidiary**” shall mean a Material Subsidiary which is not listed on the stock exchanges in India whether incorporated in India or not.

4.7 “**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 be as defined under the Companies Act, 2013 and the Rules made thereunder.

## 5. Responsibilities

The Board of Directors shall be responsible for developing a process for effective dissemination and implementation of this policy.

The Key Managerial Personnel(s) shall be responsible for compliance with the policy.

**6. Statement of Policy**

- 6.1 A subsidiary whose income or net worth exceeds ten percent of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year shall be a **Material Subsidiary**.
- 6.2 The Audit Committee of Board of the Company shall also review the financial statements, in particular, the investments made by the unlisted subsidiary Company on an annual basis.
- 6.3 The minutes of the Board Meetings of the Unlisted Subsidiary Companies shall be placed before the Board of the Company.
- 6.4 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.
- 6.5 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 Material Unlisted Subsidiary

**7. Disposal of Material Subsidiary**

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

- 7.1 dispose shares in Material Subsidiaries that reduces its shareholding (either on its own or together with other subsidiaries) to less than 50%; or
- 7.2 ceases the exercise of control over the Subsidiary; or
- 7.3 sell, dispose or lease the assets amounting to more than twenty percent of the assets of the material subsidiary on an aggregate basis during the financial year.

**8. Disclosure and amendments**

The Policy for determining material subsidiaries is to be disclosed to the Stock Exchange and 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 [www.asianenergy.com](http://www.asianenergy.com).

The Board of Directors shall have the power to amend any of the provisions of this policy, substitute any of the provisions with a new provision or replace this policy entirely with a new policy.

**9. Reference document(s)**

SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

**10. Associated Document(s)**

None

**11. Annexures**

None

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