



POLICY ON MATERIAL SUBSIDIARIES
(Pursuant to Clause 49(V)(D) of the Listing Agreement)
[CIN: L31300DN1961PLC000232]

A. INTRODUCTION

In accordance with the provisions of Clause 49(V)(D) of the Listing Agreement entered into by the Company with the Stock Exchanges, the Board of Directors (“the Board”) of IMP Powers Ltd. (“the Company”) has adopted this Policy on November 07, 2015 upon the recommendation of the Audit Committee.

The Board based on the recommendation of the Audit Committee may amend this Policy from time to time to incorporate any subsequent amendment(s)/modification(s) in the Listing Agreement with respect to matters covered under this Policy or otherwise.

B. OBJECTIVE

The objective of this Policy is to formulate the criteria for determination of Material Subsidiaries and to provide the governance framework for such subsidiaries.

C. DEFINITIONS

“**Audit Committee**” or “**Committee**” means the Committee of the Board constituted/re-constituted under the provisions of Clause 49 of the Listing Agreement read with Section 177 of the Companies Act, 2013 as in force from time to time.

“**Board of Directors**” or “**Board**” means the Board of Directors of IMP Powers Ltd., as constituted/re-constituted from time to time.

“**Company**” means IMP Powers Ltd.

“**Independent Director**” means a Non-Executive Director of the Company who satisfies criteria mentioned under Section 149 of the Companies Act, 2013 and Clause 49(II)(B)(1) of the Listing Agreement.

“**Policy**” or “**this Policy**” means Policy on Material Subsidiaries.

“**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 of the Company for the immediately preceding accounting year.

“**Subsidiary**” means existing or future Subsidiaries of the Company.

D. POLICY

1. A Subsidiary shall be considered as Material Subsidiary if any of the following conditions are satisfied:



- a. 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
 - b. If the Subsidiary has generated 20% of the consolidated income of the Company during the previous financial year.
2. At least one Independent Director on the Board of the Company shall be appointed as an Independent Director on the Board of a Material Subsidiary. For this purpose, the Management shall present to the Board, a list of Material Subsidiaries, if any, on an annual basis.
 3. The Audit Committee of the Company shall review the financial statements, in particular, the investments made by all the Unlisted Subsidiary Companies including any Material Subsidiaries on an annual basis.
 4. The minutes of the Board Meetings of all the Unlisted Subsidiary Companies including any Material Subsidiaries shall be placed at the Board Meeting of the Company.
 5. A statement of all the significant transactions and arrangements, if any, entered by the Unlisted Subsidiary Companies including any Material Subsidiaries shall be placed by the Management before the Board on quarterly basis.
 6. The Company shall not sell or dispose of the shares held by it in its Material Subsidiary which would reduce its shareholding (either on its own or together with other subsidiaries) to less than 50% or cease the exercise of control over the Material 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.
 7. Selling, disposing and leasing of assets amounting to more than 20% of the assets of the Material Subsidiary on an aggregate basis during a financial year shall require prior approval of the shareholders of the Company by way of Special Resolution, unless the sale/disposal/lease is made under a scheme of arrangement duly approved by a Court/Tribunal.

E. DISCLOSURES

The Company shall disclose this Policy on its website and a web link thereto shall be provided in the Annual Report.

For and On Behalf of the Board of Directors

**Aaditya R. Dhoot
Managing Director**

Place: Mumbai

Date: November 07, 2015