

POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

[Pursuant to Clause 16(1) (c) of Chapter IV of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015]

EMPOWER INDIA LIMITED

POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

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POLICY ON MATERIAL SUBSIDIARY

1. INTRODUCTION

Securities and Exchange Board of India (SEBI), has on September, 02 2015, notified comprehensive SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, replacing the existing Listing Agreement. The Regulation shall come into force on the 90th day from the date of its publication in Official Gazette, i.e. with effect from December 01, 2015.

The Board of Directors (The “Board”) of Empower India 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 has been formulated in accordance with Clause 16 (c) of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR”).

2. TITLE:

This Policy shall be called “Policy for determining material subsidiaries”.

3. OBJECTIVE:

The objective of this Policy is to enable investor to make well-informed investment decision, adequate and accurate disclosure of information on an ongoing basis is essential. Regulation 16(1) (c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 {SEBI(LODR) Regulations}, defines “material subsidiary” and in term of explanation to this regulation, the Company is required to formulate a policy for determining “material subsidiary” based on the criteria specified in SEBI(LODR) Regulations,

4. DEFINITIONS:

“**Board of Directors**” or “**Board**” means the Board of Directors of Empower India Limited, as constituted from time to time.

“**Company**” means Empower India Limited.

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

“**Subsidiary**” shall mean a subsidiary as defined under the Act and Rules made thereunder.

“**Material Non Listed Indian Subsidiary**” shall mean a Material Subsidiary which is incorporated in India and is not listed on the Indian Stock Exchanges whose income or net worth (i.e. paid-up capital and free reserves) exceeds 20 per cent of the consolidated income or net worth respectively, of the listed holding company and its subsidiaries in the immediately preceding financial year.

“**Audit Committee**” means Audit Committee constituted by the Board of Directors of the Company, from time to time, under provisions of SEBI LODR Regulations, 2015 and the Companies Act, 2013.

5. POLICY:

A subsidiary shall be considered **Material** if any of the following conditions are satisfied:

- the investment of the Company in the subsidiary exceeds twenty per cent of its consolidated net worth as per the audited balance sheet of the previous financial year;
or
- the subsidiary has generated twenty per cent of the consolidated income of the Company during the previous financial year

6. GOVERNANCE FRAMEWORK

- I. One Independent Director of the Company shall be a director on the Board of the material non-listed Indian subsidiary company.
- II. The Audit Committee of Board of the Company shall review the financial statements, in particular, the investments made by all the unlisted subsidiary companies on quarterly basis.
- III. The minutes of the Board Meetings of all the unlisted subsidiary companies shall be placed before the Board of the Company on quarterly basis.
- IV. The management shall on quarterly basis bring to the attention of the Board of Directors of the Company, a statement of all Significant Transactions and Arrangements entered into by all the unlisted subsidiary companies.

Explanation: for the purpose of the term “Significant Transactions and Arrangements” shall mean any individual transaction or arrangement that exceeds or likely to exceed ten percent of the revenue or total expenses or total assets or total liabilities, as the case may be, of the unlisted material subsidiary for the immediately preceding accounting year.

- V. 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 on the board of material non-listed Indian subsidiary.

7. DISPOSAL OF MATERIAL SUBSIDIARY

The Company shall not:

- I. dispose of the shares 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 subsidiary without passing a special resolution in its General Meeting, except in cases where divestment is made under a scheme or arrangement duly approved by a Court/Tribunal.
- II. sell, dispose off and lease assets amounting to more than twenty percent of the assets of the material subsidiary on an aggregate basis during a financial year without prior approval of the shareholders by way of special resolution, unless the sale / disposal / lease is made under a scheme of arrangement duly approved by a Court/Tribunal.

8. LIMITATION AND AMENDMENT

In the event of any conflict between the provisions of this Policy and of the Act or Listing Agreement or any other statutory enactments, rules, the provisions of such Act or Listing Agreement or statutory enactments, rules shall prevail over this Policy. Any subsequent amendment / modification in the SEBI (LODR) Regulations, Act and/or applicable laws in this regard shall automatically apply to this Policy.