

## POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

### INTRODUCTION

The Board of Directors of ION EXCHANGE (INDIA) Limited has adopted the following policy and procedures with regard to determination of Material Subsidiaries.

### TITLE

This Policy shall be called 'Policy for determining material subsidiaries'.

### OBJECTIVE

The objective of the Policy is to determine material subsidiaries of the Company and to provide a governance framework for such material subsidiaries.

### THE REGULATORY FRAMEWORK

- This Policy is pursuant to Regulation 16(1)(c) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- The present amendment is in view of the change in the definition of the term "Material Subsidiary" pursuant to the amendment to the SEBI Regulations dated May 9, 2018.
- Thus, in order to align the definition of "Material Subsidiary" with the definition modified by the SEBI Regulations, the existing Policy for determining Material Subsidiaries is being now revised.

### DEFINITIONS

**"The Act"** means the Companies Act 2013 together with the Rules notified there under, including any statutory modifications or re-enactments thereof for the time being in force.

**"The Regulations"** means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 together with the circulars issued thereunder, including any statutory modifications or re-enactments thereof for the time being in force.

**"Board of Directors"** or **"Board"** means the Board of Directors of ION EXCHANGE (INDIA) Limited, as constituted from time to time.

**“Company”** means ION EXCHANGE (INDIA) Limited.

**“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 other criteria for independence under the Companies Act, 2013 and the Listing Agreement with the Stock Exchanges.

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

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

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the Listing Agreement, Securities Contracts (Regulation) Act, 1956 or any other applicable law or regulation.

## **POLICY**

A subsidiary shall be considered as **Material** if-

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

The Management shall present to the Audit Committee on an annual basis, a list of Material Subsidiaries together with the details of the materiality criteria stated above.

## **REQUIREMENT REGARDING MATERIAL NON-LISTED INDIAN SUBSIDIARY**

At least one Independent Director on the Board of the Company shall be a Director on the Board of the material non-listed Indian subsidiary company.

## **AMENDMENTS**

The Policy would be subject to revision/amendment in accordance with the Laws.

The Audit Committee shall review the Policy at least once in every two years for making suitable amendments for better implementation of the Policy.

The Company reserves its right to alter, modify, add, delete or amend any of the provisions of this Policy.

The power to interpret and administer the Policy shall rest with the Chairman of the Audit Committee whose decision shall be final and binding. The Chairman is also empowered to make any supplementary rules/orders to ensure effective implementation of the Policy. These will, however, be reported to or placed before the Audit Committee, from time to time, to ensure the Committee's oversight on these issue.

### **DISCLOSURE**

The Policy for determining material subsidiaries shall be disclosed to the Stock Exchanges.

The Policy shall be uploaded on the website of the Company at [www.ionindia.com](http://www.ionindia.com) and a web link of the same shall be disclosed in the Corporate Governance section of the Annual Report.

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*Policy approved by: The Board of Directors of Ion Exchange (India) Limited*

*Original date of approval: October 30, 2015*

*Last Modified on: March 14, 2019*

