GRAPHITE INDIA LIMITED

Policy for determining ‘material’ subsidiary
(effective from 01st April 2019)

1. “Material” subsidiary shall mean 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.

2. The Company shall not dispose of shares in its material subsidiary resulting in reduction of its shareholding (either on its own or together with other subsidiaries) to less than fifty % or cease the exercise of control over the 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.

3. 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 shareholders by way of special resolution, unless the sale/ disposal / lease is made under a scheme of arrangement duly approved by a Court / Tribunal.

4. At least one independent director on the Board of Directors of the Company shall be a director on the Board of Directors of an unlisted material subsidiary, incorporated in India or not.

   Explanation – For the purposes of this provision, notwithstanding anything to the contrary mentioned in (1) above, the term “material subsidiary” shall mean a subsidiary, whose income or net worth exceeds twenty percent of the consolidated net income or net worth respectively of the Company and its subsidiaries in the immediate preceding accounting year].

5. With effect from 1st April 2019, this policy shall supersede the existing policy approved by the Board of Directors on 13th February 2015.

   (Policy was approved by Board of Directors of Graphite India Limited in the meeting held on 06th February 2019)

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