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GRAPHITE INDIA LIMITED

Policy for determining ‘material’ subsidiary

1. “Material” subsidiary shall mean a subsidiary, whose turnover or net worth exceeds ¹[ten] percent of the consolidated turnover 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 ²[**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. ³[**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 turnover or net worth exceeds twenty percent of the consolidated net turnover or net worth respectively of the Company and its subsidiaries in the immediate preceding accounting year].

5. With effect from 12th December 2024, this policy shall supersede the existing policy approved by the Board of Directors on 6th February, 2019.

This policy was approved by Board of Directors on 13.02.2015.

Amended by the Board of Directors on 18.05.2017, 06.02.2019 and 12.02.2025