

GRAPHITE INDIA LIMITED

Policy for determining 'material' subsidiaries

Clause 49 (V) (D) of the Listing Agreement as amended recently, requires a listed company to formulate a Policy for determining 'material' subsidiaries. Accordingly, a Policy is hereby framed as under:

1. A subsidiary shall be considered as 'material', 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 if the subsidiary has generated 20 % of the consolidated income of the company during the previous financial year.
2. The Company shall not dispose of 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 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.

(Approved by Board of Directors of Graphite India Limited in the meeting held on 13.2.2015)