

## GRAPHITE INDIA LIMITED

### POLICY ON DETERMINATION OF MATERIALITY OF EVENTS

#### 1. Preamble

The Board of Directors (the “Board”) of Graphite India Limited (the “Company” or “GIL”), has adopted the following policy and procedures with regard to determination of materiality of events. The Board will constantly review, and if found essential, may amend this policy from time to time.

#### 2. Objective

The Objective of the policy is to ensure timely and adequate disclosure of material events under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as “Listing Regulations”).

#### 3. Scope

- i. The Company shall mandatorily disclose the events as specified in Para A of Part A of Schedule III of the Listing Regulations, without applying any test of materiality, the same have been enclosed as Annexure -1 for reference.
- ii. The listed entity shall make disclosure of events specified in Para B of Part A of Schedule III, based on application of the guidelines for materiality, as specified below, have been enclosed as Annexure 2 for reference.

**Quantitative criteria** calculated based on audited financial statements of the last audited financial year, would mean event/ information where the value involved or the impact:

- (a) exceeds fifteen per cent of the gross turnover, or
- (b) exceeds fifteen per cent of the net worth

Whichever is lower.

**Qualitative criteria** would mean an event/ information

- (a) The omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly;  
or
- (b) The omission of an event or information is likely to result in significant market reaction if the said omission came to light at a later date;
- (c) In case where the criteria specified in sub-clauses (a) and (b) are not applicable, an event/information may be treated as being material if in the opinion of the board of directors of company, the event / information is considered material.

- iii. Any other information/event viz. major development that is likely to affect business,  
e.g. emergence of new technologies, expiry of patents, any change of accounting policy that may have a significant impact on the accounts, etc. and brief details thereof and any other information which is exclusively known to the company which may be necessary to enable the holders of securities of the company to appraise its position and to avoid the establishment of a false market in such securities, as stated under Para C of Part A of Schedule III of the listing regulations, be disclosed as may be advised by the Board from time to time.
- iv. The Company shall make disclosures of any events or information which, in the opinion of the board of directors of the listed company, is material. In case where an

event occurs or information is available with the company, which has not been indicated in Annexure 1 and 2, but which may have material effect on it, the company is required to make adequate disclosures in regard thereof.

**4. Guidance on when an event / information can be said to have occurred**

In certain instances, the occurrence of material event/information would depend upon approval and in other instances where there is no such discussion, negotiation or approval required viz. in case of natural calamities, disruptions etc., it would depend upon the timing when the company became aware of the event/information.

The events/information can be said to have occurred when the Company becomes aware of the events/information, or as soon as, a Director / KMP has reasonably come into possession of the information in the course of the performance of his duties.

**5. Prompt disclosure of material events**

The company shall disclose to the stock exchanges of all events, as specified in Annexure -1, or information as soon as reasonably possible and not later than 24 hours from the occurrence of the event/information, in case the disclosure is made after 24 hours of occurrence of the event or information, the company shall, along with such disclosures provide explanation for delay.

The Company shall make disclosures updating the material developments pertaining to material events on a regular basis, till such time the event is resolved/closed, and to be disclosed to the stock exchanges with relevant explanations.

The Company shall also provide specific and adequate reply to all queries raised by the stock exchanges with respect to any event/information. The Company may on its own initiative, confirm or deny any reported event or information to stock exchanges.

**6. Authorization for disclosures**

The Executive Director, Company Secretary, CFO and Asst. Company Secretary are severally authorized to determine materiality of an event/information and to make disclosures to stock exchange(s). Contact details of such authorized personnel have been disclosed to the stock exchange(s) and also available herein below.

**7. Posting of information on company's website**

All such events or information which has been disclosed to stock exchange(s) under this regulation, would be placed on the website of the company for a minimum period of five years and thereafter as per the archival policy of the company.

**Approved by the Board of Directors on 27<sup>th</sup> January, 2016**

### Annexure -1

The below list of events as specified in Para A of Part A of Schedule III of the listing regulations, are deemed to be material events and disclosure of such events shall be made to the Stock exchanges as per the Listing regulations, 2015 and as amended from time to time.

Schedule III, PART 'A' and Para 'A'	Provision
1	Acquisition(s) (including agreement to acquire), Scheme of Arrangement (amalgamation/ merger/ demerger/restructuring), or sale or disposal of any unit(s), division(s) or subsidiary of the company or any other restructuring
2	Issuance or forfeiture of securities, split or consolidation of shares, buyback of securities, any restriction on transferability of securities or alteration in terms or structure of existing securities including forfeiture, reissue of forfeited securities, alteration of calls, redemption of securities etc.
3	Revision in Rating(s)
4	<p>Outcome of Meetings of the board of directors: The company shall disclose to the Exchange(s), <b>within 30 minutes of the closure of the meeting</b>, held to consider :</p> <ol style="list-style-type: none"> <li>1. dividends and/or cash bonuses recommended or declared or the decision to pass any dividend and the date on which dividend shall be paid/dispatched</li> <li>2. any cancellation of dividend with reasons thereof</li> <li>3. the decision on buyback of securities</li> <li>4. the decision with respect to fund raising proposed to be undertaken</li> <li>5. increase in capital by issue of bonus shares through capitalization including the date on which such bonus shares shall be credited/dispatched</li> <li>6. reissue of forfeited shares or securities, or the issue of shares or securities held in reserve for future issue or the creation in any form or manner of new shares or securities or any other rights, privileges or benefits to subscribe to</li> <li>7. short particulars of any other alterations of capital, including calls</li> <li>8. financial results</li> <li>9. decision on voluntary delisting by the company from stock exchange(s)</li> </ol>
5	Agreements which are binding and not in normal course of business, revisions or amendments and terminations thereof (viz. shareholder agreements, joint venture agreements, family settlement agreements, contracts with media companies)
6	<p>Fraud/defaults by promoter or key managerial personnel or by company or arrest of key managerial personnel or promoter</p> <ul style="list-style-type: none"> <li>- At the time of unearthing of fraud or occurrence of the default / arrest</li> <li>- Subsequently intimate the stock exchange(s) further details regarding fraud/default/arrest</li> </ul>
7	Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer , Company Secretary etc.), Auditor and Compliance Officer
8	Appointment or discontinuation of share transfer agent
9	Corporate debt restructuring

10	One time settlement with a bank
11	Reference to BIFR and winding-up petition filed by any party / creditors
12	Issuance of Notices, call letters, resolutions and circulars sent to shareholders, debenture holders or creditors or any class of them or advertised in the media by the company
13	Proceedings of Annual and extraordinary general meetings of the company
14	Amendments to memorandum and articles of association of listed entity, in brief
15	Schedule of Analyst or institutional investor meet and presentations on financial results made by the company to analysts or institutional investors

SEBI Circular dated September 9, 2015 has provided the details that need to be provided while disclosing events specified in para A and B of Part A of Schedule III of the Listing regulations.

### Annexure -2

The below list of events as specified in Para B of Part A of Schedule III of listing regulations, as amended from time to time, to be disclosed to the stock exchanges based on application of the guidelines for materiality.

Schedule III, PART 'A' and Para 'B'	Provision
1	Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division
2	Change in the general character or nature of business brought about by arrangements for strategic, technical, manufacturing, or marketing tie-up, adoption of new lines of business or closure of operations of any unit/division (entirety or piecemeal)
3	Capacity addition or product launch.
4	Awarding, bagging/ receiving, amendment or termination of awarded/bagged orders/contracts not in the normal course of business
5	Agreements (viz. loan agreement(s) (as a borrower) or any other agreement(s) which are binding and not in normal course of business) and revision(s) or amendment(s) or termination(s) thereof
6	Disruption of operations of any one or more units or division of the company due to natural calamity (earthquake, flood, fire etc.), force majeure or events such as strikes, lockouts etc.
7	Effect(s) arising out of change in the regulatory framework applicable to the company
8	Litigation(s) / dispute(s) / regulatory action(s) with impact
9	Fraud/defaults etc. by directors (other than key managerial personnel) or employees of company
10	Options to purchase securities including any ESOP/ESPS Scheme

11	Giving of guarantees or indemnity or becoming a surety for any third party
12	Granting, withdrawal , surrender , cancellation or suspension of key licenses or regulatory approvals

SEBI Circular dated September 9, 2015 has provided the details that need to be provided while disclosing events specified in para A and B of Part A of Schedule III of the Listing regulations.

**Contact details of persons authorized for the purpose of Regulation 30 (5) of SEBI (Listing Obligations & Disclosures Requirements) Regulations, 2015**

Name	Designation	Phone	Email
Mr. A Dixit	Executive Director	033 - 400 29 600	<a href="mailto:adixit@graphiteindia.com">adixit@graphiteindia.com</a>
Mr. S W Parnerkar	Chief Financial Officer	033 – 400 29 600	<a href="mailto:swp@graphiteindia.com">swp@graphiteindia.com</a>
Mr. B Shiva	Company Secretary	022 – 22 88 64 18	<a href="mailto:bshiva@graphiteindia.com">bshiva@graphiteindia.com</a>
Mr. S Marda	Asst. Company Secretary	033- 400 29 600	<a href="mailto:corp_secy@graphiteindia.com">corp_secy@graphiteindia.com</a>