

**POLICY FOR DETERMINING MATERIAL SUBSIDIARIES
OF
AEGIS LOGISTICS LIMITED**

This Policy shall be called 'Policy for determining Material Subsidiaries'.

COMMENCEMENT:

This Policy shall come into effect from 5th March, 2015 and as amended on 28th January, 2016.

OBJECTIVE:

- a. This Policy is framed in accordance with the requirement of SEBI (Listing obligations and disclosure requirements) regulations (including any amendments thereof) to be effective from 1st October 2014 and as amended from time to time and is intended to ensure governance of material subsidiary companies.
- b. The Company is required to disclose the policy on its website and a web link thereto shall be provided in the Annual Report.

DEFINITIONS:

"Board" means the Board of Directors of Aegis Logistics Limited

"Company" means Aegis Logistics Limited

"Material Subsidiary" shall mean an unlisted subsidiary, incorporated in India, whose income or net worth (i.e. paid up capital and free reserves) exceeds 20% of the consolidated income or net worth respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year.

"Policy" means this Policy, as amended from time to time

“Significant Transaction or Arrangement” shall mean any individual transaction or arrangement that exceeds or is likely to exceed 10% of the total revenues or total expenses or total assets or total liabilities, as the case may be, of the material unlisted subsidiary for the immediately preceding accounting year.

“Subsidiary” means a body corporate in which the Company:

- (i) controls the composition of the Board of Directors; or
- (ii) exercises or controls more than one-half of the total share capital either at its own or together with one or more of its subsidiary companies:

For the purpose of above, total share capital shall mean aggregate of the paid-up equity share capital and convertible preference share capital.

INTERPRETATION:

Any words used in this policy but not defined herein shall have the same meaning ascribed to it in the Companies Act, 2013 or Rules made thereunder, SEBI Act or Rules and Regulations made thereunder, Listing Regulations or any other relevant legislation / law applicable to the Company.

Process of determination and compliances in respect of Material Subsidiaries

- a) 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 company, incorporated in India.
- b) Once a Subsidiary is identified as Material Subsidiary, the Company shall adhere to the following procedures:
 - (i) The Company shall not dispose of the shares of the 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).
 - (ii) 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 of the Company by way of

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

- (iii) The management shall periodically bring to the attention of the Board of Directors of the Company, a statement of all significant transactions and arrangements entered into by the material unlisted subsidiary company.

General Compliances in respect of other Subsidiaries

Apart from the above, the following general compliances shall be adhered to by the Company with respect to all its Subsidiaries, whether or not they are Material Subsidiaries:

- a) The Audit Committee of the Company shall review the financial statements, in particular, the investments made by the unlisted subsidiary company on an annual basis.
- b) The minutes of the Board meetings of the unlisted subsidiary company shall be placed at the Board meeting of the Company.
- c) Where a listed holding company has a listed subsidiary, which is itself a holding company, the above provisions shall apply to the listed subsidiary insofar as its subsidiaries are concerned.

AMENDMENTS:

The Board shall have the power to amend any of the provisions of this Policy, substitute any of the provisions with a new provision or replace this Policy entirely with a new Policy.

Place: Mumbai

Date: 28th January, 2016