

PATEL INTEGRATED LOGISTICS LIMITED

Policy for Determining Material Subsidiary

Preamble:

Pursuant to the provisions of Regulation 16(c) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations') the Board of Directors of a listed company is required to formulate a policy for determining 'material' subsidiary.

Pursuant to the requirements stated above, the present policy is framed.

The words and phrases used herein shall, unless the context otherwise admits, have the meaning assigned to them under the Companies Act, 2013 and/or the Listing Regulations.

This Policy was approved by the Board of Directors on 9th February, 2016, is applicable with effect from the 9th day of February, 2016.

Title:

This policy shall be called "Policy for Determining Material Subsidiary".

The Policy:

A subsidiary shall be termed as 'material' if its income or net worth exceeds 20% of the consolidated income or net worth respectively of the Company and its subsidiaries in the immediately preceding accounting year.

Conditions relating to a Subsidiary/ Material Subsidiary:

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 to exercise control of such subsidiary without obtaining approval of the shareholders by way of special resolution in its general meeting.

The Company will not sell, dispose and lease assets amounting to more than 20% of the assets of the material subsidiary on an aggregate basis during a financial year without obtaining prior approval of the shareholders by way of special resolution in its general meeting. However, if such divestment/sale/disposal/lease is made under a scheme of arrangement duly approved by a Court/ Tribunal, then in such event, the directions of the Court/Tribunal shall prevail.

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.

In case of a material non- listed subsidiary incorporated outside India, the Board may decide to appoint an independent director as a director on the Board of that subsidiary based on the exigency of that company.

The management of the unlisted subsidiary shall periodically bring to the notice of the board of directors of the listed entity, a statement of all significant transactions and arrangements entered into by the unlisted subsidiary.

Explanation- For the purpose of this regulation, the term “significant transaction or arrangement” shall mean any individual transaction or arrangement that exceeds or is likely to exceed ten percent of the total revenues or total expenses or total assets or total liabilities, as the case may be, of the unlisted material subsidiary for the immediately preceding accounting year.

The minutes of the meetings of the board of directors of the unlisted subsidiary shall be placed before at the meeting of the board of directors of the Company.

Applicability:

This Policy, duly approved by the Board of Directors on, 9th February, 2016, shall be applicable with effect from the 9th day of February, 2016 and any future amendments / modifications shall take effect from the date stated therein.

The Policy is to be disclosed on the website of the Company and a web link of the same will be provided in the Annual Report.
