

POLICY ON RELATED PARTY TRANSACTIONS

The Board of Directors (the "Board") of Aegis Logistics Limited (the "Company") has adopted the Policy on Related Party Transactions ("the Policy"), as required in terms of the erstwhile Listing Agreement at its meeting held on 5th March, 2015. However, in view of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and the Companies (Meetings of Board and its Powers) Second Amendment Rules, 2015 dated 14th December, 2015, the policy has been revised appropriately in the meeting of the Board of Directors of the Company held on 28th January, 2016. The Board or the Audit Committee of the Board ("Audit Committee"), subject to confirmation by Board, may review and amend this policy from time to time.

EFFECTIVE DATE

This Policy including any amendment or modification thereof shall become effective from the date of its adoption by the Board.

PURPOSE

The Board recognizes that certain transactions present a heightened risk of conflicts of interest or the perception thereof. Therefore, the Board has adopted this Policy to ensure that all Related Party Transactions with Related Parties shall be subject to this Policy and approval or ratification in accordance with Applicable Law. Any amendments in the Applicable Law, including any clarification/ circulars of relevant regulator, shall be read into this Policy such that the Policy shall automatically reflect the contemporaneous Applicable Law at the time of its implementation. This Policy contains the policies and procedures governing the review, determination of materiality, approval and reporting of such Related Party Transactions.

DEFINITIONS

1. "Applicable Law" includes (a) the Companies Act, 2013 and the rules made thereunder; (b) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (c) any other statute, law, standards, regulations or other governmental instruction relating to Related Party Transactions and amendments made thereto.
2. "Compliance Officer" means the Company Secretary of the Company or such other officer as identified by the Board for the purpose of compliance of Related Party Policy.

3. "Key Managerial Personnel" means
 - (i) the Chief Executive Officer or the Managing Director or the Manager;
 - (ii) the Company Secretary;
 - (iii) Whole-Time Director;
 - (iv) the Chief Financial Officer

4. "Material Related Party Transactions" means such Related Party Transactions to be entered into with a related party, value whereof individually or taken together with previous Related Party Transaction during a financial year, exceeds ten percent of the annual consolidated turnover of the company as per the last audited financial statements of the Company or such other threshold as may be laid down from time to time by Applicable Law.

5. "Relative(s)" shall have the same meaning as assigned to it under Section 2 (77) of the Companies Act, 2013 and the Rules made thereunder.

6. "Related Party" means any person or entity who is:
 - (i) a related party under Section 2(76) of the Companies Act,2013 read with rules issued thereunder;
 - (ii) a related party under the applicable accounting standards; or
 - (iii) Any other person or entity as may be covered under Applicable Law from time to time.

7. "Related Party Transaction" means any transaction with a Related Party involving a transfer of resources or obligations that is subject to the provisions of Applicable Law and shall include the following:
 - (i) purchases or sales of goods (finished or unfinished);
 - (ii) purchases or sales of property and other assets;
 - (iii) rendering or receiving of services;
 - (iv) leasing of property of any kind or hire purchase arrangements;
 - (v) any related party's appointment to any office or place of profit in the Company, its Subsidiary Company or associate Company
 - (vi) transfers of research and development;
 - (vii) transfers under license agreements;
 - (viii) transfers under finance arrangements (including loans and equity contributions in cash or in kind);
 - (ix) provision of guarantees or collateral;
 - (x) agency arrangements, management contacts including for deputation of employees; and
 - (xi) Underwriting the subscription of any securities or derivatives thereof, of the Company

Notwithstanding the foregoing, the following shall not be deemed Related Party Transactions:

- (i) Any transaction that involves the providing of compensation to a director or Key Managerial Personnel, in accordance with the provisions of Companies Act, 2013, in connection with his or her duties to the Company or any of its subsidiaries or associates, including the reimbursement of reasonable business and travel expenses incurred in the ordinary course of business.
 - (ii) Reimbursement of expenses incurred by a Related Party for business purpose of the Company.
 - (iii) Reimbursement of pre-incorporation expenses incurred by a Related Party as approved by the Board of Directors.
- (iv) Any transaction in which the Related Party's interest arises solely from ownership of securities issued by the Company and all holders of such securities receive the same benefits pro rata as the Related Party or other pro rata interest of a Related Party included in a transaction involving generic interest of stakeholders involving one or more Related Parties as well as other parties.
- (v) Any other exception which is consistent with the Applicable Laws, including any rules or regulations made thereunder, and must be approved in advance by the Audit Committee.

All terms not defined herein shall take their meaning from the Applicable Law under reference, that is to say, the Companies Act, 2013 and Rules framed thereunder or the Listing Regulations, as amended, from time to time.

POLICY STATEMENT

A. *Identification of Related Parties*

The Compliance Officer shall at all times:

- a. Identify and keep on record Company's Related Parties, along with their personal/company details.
- b. The Compliance Officer shall also set down the mechanism for reporting of such transactions proposed to be entered or entered with related parties
- c. The record of Related Parties shall be updated whenever necessary and shall be reviewed at least once a year, as on 1st April every year.

B. *Procedures for review and approval of Related Party Transactions*

- (a) Subject to the thresholds below, all Related Party Transactions or changes therein must be referred for prior approval by the Audit Committee in accordance with this Policy.
- (b) For the ease of carrying out transactions/ contracts/ arrangements, the Audit Committee may grant omnibus approvals to the transactions which are in ordinary Course of business at arms-length basis and transactions of the routine nature (except material related party transactions). Audit Committee shall satisfy itself the

need for such omnibus approval and that such approval is in the business interest of the Company.

- (c) Omnibus approval granted for transactions to be entered during the financial year starting from 1st April shall be reviewed at the last meeting of every preceding financial year and such approvals shall be valid till the conclusion of the immediately following financial year.
- (d) Omnibus approval shall specify (i) name/s of the related party;(ii) nature of transaction;(iii) period of transaction; (iv) maximum amount of transaction that can be entered into (v) the indicative base price/ current contracted price and the formula for variation in the price, if any and (vi) such other conditions as the Audit Committee may deem fit.
- (e) The threshold limits for approvals will be as follows:
 - i. The transactions, for which omnibus approval of the Audit Committee has already been sought, will not require prior approval of the Audit Committee for each transaction entered into pursuant to the same.
 - ii. All Related Parties Transactions other than those falling under Points (i) above for which no omnibus approval has been accorded, shall require prior approval of Audit Committee.
 - iii. Transactions between the Company and its wholly owned subsidiary companies will be governed by criteria below unless exempted under the Applicable Law.
- (f) Omnibus approvals shall be granted based on the following criteria:
 - i. Frequency of the transactions in the last [3] years;
 - ii. Volumes of transactions undertaken with such Related Party. The maximum value of the transactions, per transaction or in aggregate, per related party, shall not exceed 10% of annual consolidated turnover of the Company.
 - iii. Projected growth rate in the business with the Related Party in the financial year for which omnibus approval is sought;
 - iv. Contractual terms offered by third parties for similar transactions
 - v. Adherence to any conditions on the contractual terms with such Related Parties for instance floor and cap on the pricing, credit terms, escalation in costs, quality checks etc;
 - vi. Where the Audit Committee is not convinced on the need for granting omnibus approvals, the Audit Committee may reject the proposal placed before it with reasonable explanation for the same.
- (g) Where the Audit Committee has granted omnibus approval for certain transactions, the transactions will be put for review before the Audit Committee quarterly in every financial year.

- (h) Exceptions allowed under Applicable Laws to Related Party Transactions may be exempted from the scope of this Policy subject to the discretion of Audit Committee.
- (i) Notwithstanding the generality of foregoing, Audit Committee shall not grant omnibus approval for following transactions:
 - i. Transactions which are not in ordinary course of business or not on arm's length basis;
 - ii. Transactions in respect of selling or disposing of the undertaking of the Company;
 - iii. Transactions which are not in the interest of the Company;
 - iv. Such other transactions specified under Applicable Law from time to time.
- (j) The Audit Committee will undertake an evaluation of the Related Party Transaction. If that evaluation indicates that the Related Party Transaction would require the approval of the Board, in case of transactions falling under Section 188 of the Companies Act, 2013 or Material Related Party Transactions, or if the Board in any case elects to review any such matter, the Audit Committee will report the Related Party Transaction, together with a summary of material facts, to the Board for its approval.
- (k) Related Party Transactions that are not on arm's length basis shall not be approved by Audit Committee and shall be recommended to the Board for appropriate approval.
- (l) The agenda of the Board Meeting at which the resolution is proposed to be moved shall disclose- (a) the name of the related party and nature of relationship (b) the nature, duration of the contract and particulars of the contract or arrangement (c) the material terms of the contract or arrangement including value, if any (d) any advance paid or received for the contract or arrangement, if any (e) the manner of determining the pricing and other commercial terms, both included as a part of contract and not considered as a part of contract (f) whether all factors relevant to the contract have been considered, if not, the details of factors not considered with the rationale for not considering those factors; and (g) any other information relevant or important for the Board to take decision on the proposed transaction
- (m) If the Related Party Transaction needs to be approved at a general meeting of the shareholders by way of a resolution pursuant to Applicable Law, the Board shall ensure that the same be put up for approval by the shareholders of the Company.
- (n) If approval of the Board/ general meeting for entering into a Related Party Transaction is not feasible, then the Related Party Transaction shall be ratified by the Board / general meeting, if required, within 3 months of entering in the Related Party Transaction.

- (o) In any case where either the Audit Committee / Board / a general meeting determines not to ratify a Related Party Transaction that has been commenced without approval, the Committee or Board or the general meeting, as appropriate, may direct additional actions including, but not limited to, immediate discontinuation or rescission of the transaction, or modification of the transaction to make it acceptable for ratification. In connection with any review of a Related Party Transaction, the Audit Committee / Board has authority to modify or waive any procedural requirements of this Policy.
- (p) In determining whether to approve or ratify a Related Party Transaction, the Audit Committee / Board will take into account, among other factors it deems appropriate, whether the Related Party Transaction is on terms no less favorable than terms generally available to an unaffiliated third-party under the same or similar circumstances and the extent of the Related Person's interest in the transaction.
- (q) No member of the Audit Committee/ Board shall participate in any discussion or approval of a Related Party Transaction for which he or she is a Related Party, except that the director / Key Managerial Personnel shall provide all material information concerning the Related Party Transaction to the Audit Committee / Board.
- (r) Nothing in this Policy shall override any provisions of law made in respect of any matter stated in this Policy.
- (s) In terms of Para B (2) of Part C of Schedule II to Listing Regulations, the Audit Committee shall review the statement containing significant Related Party Transactions. The threshold limit for determining significant Related Party Transactions will be the same as applicable for Material Related Party Transactions, as amended from time to time.

C. Standards for Review

A Related Party Transaction reviewed under this Policy will be considered approved or ratified if it is authorized by the Audit Committee / Board, as applicable, in accordance with the standards set forth in this Policy after full disclosure of the Related Party's interests in the transaction. As appropriate for the circumstances, the Audit Committee or Board, as applicable, shall review and consider:

- (a) the Related Party's interest in the Related Party Transaction;
- (b) the approximate amount involved in the Related Party Transaction;
- (c) contractual terms for the Related Party transactions and whether the same are comparative with the market standards and whether beneficial to the company.
- (d) the approximate amount of the Related Party's interest in the transaction without regard to the amount of any profit or loss;

- (e) whether the Related Party Transaction was undertaken in the ordinary course of business of the Company;
- (f) whether the transaction with the Related Party is proposed to be, or was, entered on an arms' length basis;
- (g) the purpose of, and the potential benefits to the Company from the Related Party Transaction;
- (h) Whether there are any compelling business reasons for the Company to enter into the Related Party Transaction and the nature of alternative transactions, if any;
- (i) Whether the Related Party Transaction includes any potential reputational risk issues that may arise as a result of or in connection with the Related Party Transaction and
- (j) Whether the Related Party Transaction would impair the independence of an otherwise independent director or nominee for director;
- (k) Whether the Company was notified about the Related Party Transaction before its commencement and if not, why pre-approval was not sought and whether subsequent ratification would be detrimental to the Company; and
- (l) Whether the Related Party Transaction would present an improper conflict of interest, as per provisions of law, for any director or Key Managerial Personnel, taking into account the size of the transaction, the overall financial position of the Related Party, the direct or indirect nature of the Related Party's interest in the transaction and the ongoing nature of any proposed relationship and any other factors the Audit Committee / Board deems relevant.
- (m) required public disclosure, if any; and
- (n) any other information regarding the Related Party Transaction or the Related Party in the context of the proposed transaction that would be material to the Audit Committee / Board / shareholders, as applicable, in light of the circumstances of the particular transaction.

The Audit Committee / Board will review all relevant information available to it about the Related Party Transaction. The Audit Committee / Board, as applicable, may approve / ratify / recommend to the shareholders, the Related Party Transaction only if, the Audit Committee / Board, as applicable, determines in good faith that, under all of the circumstances, the transaction is fair as to the Company. The Audit Committee / Board, in its sole discretion, may impose such conditions as it deems appropriate on the Company or the Related Party in connection with approval of the Related Party Transaction.

D. Determination of Ordinary Course of Business

- i. A transaction shall deemed to be "In the Ordinary Course of Business" if
 - A. Any of the following conditions are met
 - a. Transaction undertaken by the Company, including, but not limited to sale or purchase of goods, property or services, conveying or accepting leases, transfer of any resources, hiring of any executives or other staff, providing/

giving of guarantees or collaterals or loans or any other financial assistance, is in the normal routine in managing trade or business. or;

- b. The transaction is in the nature of reimbursements, received or provided, from or to any related party, whether with or without any mark-up towards overheads, and is considered to be congenial for collective procurement or use of any facilities, resources, assets or services and subsequent allocation of the costs or revenues thereof to such related party in an appropriate manner; AND

B. The transaction is not

- a. an exceptional or extra ordinary activity as per applicable accounting standards or financial reporting requirements;
 - b. Any sale or disposal or any undertaking of the Company, as defined in explanation (i) to clause (a) of sub-section (1) of section 180 of Companies Act, 2013.
- ii. In order to decide whether or not a contract or arrangement is being entered by the Company is in its ordinary course, the Company shall consider whether such contract/ arrangement is germane to attainment of the main objects as set out in its Memorandum of Association.
 - iii. The Company should take into account the frequency of the transaction contemplated under the proposed contract or arrangement and its continuity carried out in a normal organized manner for determining what is in the ordinary course business and whether the Company intends to carry out similar transactions in the future.

These are not exhaustive criteria and the Audit Committee may assess transactions, considering its specific nature and circumstances.

E. *Discussion & Voting:*

Where any Director is interested in any contract or arrangement with a related party, such Director shall not be present at the meeting during discussions on the subject matter of the resolution relating to such contract or arrangement. No member of the Company (if such member is a related party) shall vote on resolution at the general meeting to approve any contract or arrangement which may be entered into by the Company with such member. Provided that for material related party transactions, all entities falling under the definition of related parties shall abstain from voting irrespective of whether the entity is a party to the particular transaction or not.

F. Determination of Arms' length nature of the Related Party Transaction

Price Determination

At the time of determining the arms' length nature of price charged for the Related Party Transaction, the Audit Committee shall take into consideration the following:

- (i) Contracts/ arrangements are entered into with Related Parties, are at such prices/ discounts/ premiums and on such terms which are offered to unrelated parties of similar category/ profile.
- (ii) The contracts/ arrangements have been commercially negotiated.
- (iii) The terms of contract/arrangement other than pricing are generally on a basis similar to those as may be applicable for similar category of goods and services or similar category/ profile of counterparties.
- (iv) Permissible methods of arms' length pricing as per Applicable Law

These are not exhaustive criteria and the Audit Committee may assess transactions, considering its specific nature and circumstances.

G. Disclosures

The Company shall upload this Policy on its website i.e., www.aegisindia.com and a web link of the same will be provided in the Annual Report. Disclosures regarding Material Related Party Transactions, if any, shall be disclosed to the stock exchanges quarterly along with the Company' s Compliance Report on Corporate Governance, in accordance with the Listing Regulations.

The Company shall also make relevant disclosures in its Annual Report and maintain such registers as required under the provisions of the Companies Act, 2013, Rules made thereunder and Listing Regulations.

Place: Mumbai

Date: 28th January, 2016