



**POLICY ON MATERIALITY OF AND DEALING WITH RELATED  
PARTY TRANSACTIONS**

*[Pursuant to Companies Act, 2013 and Rules made thereunder and Regulation 23 of  
the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]*

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## **PREAMBLE**

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 05<sup>th</sup> March, 2015 which was revised subsequently by the Board of Directors of the Company on 28<sup>th</sup> January, 2016 pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and Companies Act, 2013 (“Act”) read with the Rules made thereunder. Further, in accordance with amendments made in the Listing Regulations and the Act from time to time, the Policy has further been reviewed and approved by the Board of Directors at its meeting held on 29<sup>th</sup> July, 2021. Subsequently, the Board reviewed, modified and approved this on 24<sup>th</sup> March, 2022 in accordance with the amendments made in the listing Regulations.

The Policy envisages the procedure governing Related Party Transactions required to be followed by the Company and to regulate transactions between the Company and its Related Parties based on the laws and regulations as applicable to the Company.

It also provides framework for governance, disclosures and reporting of Related Party Transactions including material transactions and material modifications thereto. It shall be effective from April 01, 2022.

The Board of Directors or the Audit Committee of the Board (“Audit Committee”), subject to confirmation by Board, may review and amend this policy from time to time and the said Policy includes the materiality threshold/ modifications and the manner of dealing with the Related Party Transactions in compliance with the requirements of Section 188 of the Act and the Listing Regulations, as amended from time to time.

## **EFFECTIVE DATE**

This Policy including any amendment or modification thereof shall become effective from the date of its adoption/ revision 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. **“Act”** means Companies Act, 2013 and Rules framed thereunder, including any modifications, clarifications, circulars or re-enactments thereof.
2. **“Applicable Law”** includes (a) the Act and the rules made thereunder; (b) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, any other statute, law, standards, regulations or other governmental instruction relating to Related Party Transactions and amendments made thereto.
3. **“Audit Committee or Committee”** means the committee of the Board constituted from time to time under the provisions of Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013.
4. **“Board”** means the Board of Directors of the Company as defined under the Companies Act, 2013.
5. **“Company”** means Aegis Logistics Limited.
6. **“Independent Director”** means an independent director referred to in Section 149(6) of the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
7. **“Listing Regulations”** means SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.
8. **“Compliance Officer”** means the Company Secretary and Chief Financial Officer of the Company or such other officer as identified by the Board for the purpose of compliance of Listing Regulations.
9. **“Key Managerial Personnel”** means Key Managerial Personnel as defined under Section 2(51) of the Companies Act, 2013.
10. **“Material Related Party Transactions”**
  - A. **Under the Act** it means any transaction by the Company with related parties as defined under Section 2 (76) of the Act of following nature, that are either not in the ordinary course of business or not on an arm’s length basis:
    - a. sale, purchase or supply of any goods or materials, directly or through appointment of agent, amounting to 10% or more of the turnover of the Company;
    - b. selling or otherwise disposing of, or buying, property of any kind directly or through appointment of agent, amounting to 10% or more of the net worth of the Company;
    - c. leasing of property of any kind amounting to 10% or more of the turnover of the Company;
    - d. availing or rendering of any services directly or through appointment of agent,

- amounting to 10% or more of the turnover of the Company;
- e. such related party's appointment to any office or place of profit in the Company, its subsidiary company or associate company at a monthly remuneration exceeding Rs. 2,50,000; and
  - f. remuneration for underwriting the subscription of any securities or derivatives thereof, of the Company exceeding 1% of the net worth.

Explanation – (1) The turnover or net worth referred above shall be computed on the basis of the audited financial statement of the preceding financial year.

(2) Limits specified in sub-clause (a) to (d) shall apply for transaction or transactions to be entered into either individually or taken together with the previous transactions during a financial year.

**B. Under Listing Regulations” means:**

- a. the transaction with a related party if the transaction to be entered into individually or taken together with the previous transactions during a financial year, exceeds rupees 1000 crore or 10 (ten) percent of the consolidated annual turnover of the Company as per the last audited financial statements of the Company, whichever is lower or such other threshold as may be laid down from time to time by Applicable Law; or
- b. Notwithstanding to the above, a transaction involving payments made to a related party with respect to brand usage or royalty, value whereof taken individually or taken together with previous transactions during a financial year, exceed 5 (five) 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.

11. **“Relative(s)”** shall have the same meaning as assigned to it under Section 2 (77) of the Act and the rules made thereunder.

12. **“Related Party”** means a related party as defined the Act read with Regulation 23 of Listing Regulations and Indian Accounting Standards, as amended from time to time;

Provided that:

- a. Any person or entity forming a part of promoter or promoter group of the Company; or
- b. Any person or entity, holding Equity Shares:
  - i. of twenty per cent or more; or
  - ii. of ten per cent or more, with effect from April 01, 2023;  
in the Company either directly or on a beneficial interest basis as provided under Section 89 of the Companies Act, 2013, at any time, during the immediate preceding financial year; shall be deemed to be a related party.

13. **“Related Party Transaction”**

**A. in accordance with Listing Regulation means:**

any transaction involving a transfer of resources, services or obligations between:

- (i) the Company or any of its subsidiaries on one hand and a related party of the Company or any of its subsidiaries on the other hand; or
- (ii) the Company or any of its subsidiaries on one hand, and any other person or entity on the other hand, the purpose and effect of which is to benefit a related party of the Company or any of its subsidiaries, with effect from April 1, 2023;

regardless of whether a price is charged and a “transaction” with a related party shall be construed to include a single transaction or a group of transactions in a contract:

Provided that the following shall not be a related party transaction:

- (a) the issue of specified securities on a preferential basis, subject to compliance of the requirements under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (b) the following corporate actions by the listed entity which are uniformly applicable/offered to all shareholders in proportion to their shareholding:
  - i. payment of dividend;
  - ii. subdivision or consolidation of securities;
  - iii. issuance of securities by way of a rights issue or a bonus issue; and
  - iv. buy-back of securities.

**B. In accordance with the Act means:**

- i. Sale , purchase or supply of any goods or material;
- ii. Selling or otherwise disposing of, or buying, property of any kind;
- iii. leasing of property of any kind;
- iv. availing or rendering of any service;
- v. Appointment of any agent for purchase or sale of goods, materials, services or property;
- vi. Such related party’s appointment to any office or place of profit in the Company, its subsidiary company or associated company;
- vii. Underwriting the subscription of any securities or derivatives thereof, of the Company;

14. **“Subsidiary”** shall mean a subsidiary as defined under the Act.

15. **“Transaction”** with a Related Party shall be construed to include a single transaction or a group of transactions.

16. **“Material modification** will means and include any modification to an existing Related Party Transaction having variance of 35 % in value of the transaction already approved by the Audit Committee or the Shareholders, as the case may be.

Any other term not defined herein shall have the same meaning as defined in the Act, the Listing Regulations including amendments thereof, Indian Accounting Standards (IND AS); and or any other statute, law, standards, regulations or other governmental instruction relating to Related Party Transactions

## POLICY STATEMENT

### A. *Identification of Related Parties*

The Compliance Officer shall:

- a. Identify and keep on record Company's Related Parties, along with their personal/company details.
- b. Obtain and keep on record Related Parties of each Subsidiary Companies.
- c. Obtain list of related party transactions proposed to be entered by each of its Subsidiary Companies from time to time where Company is not a party.
- d. record of Related Parties of the Company and its Subsidiary Companies shall be updated whenever necessary and be reviewed at least once a year.

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

- (a) Subject to the thresholds below, all Related Party Transactions and subsequent material modifications must be referred for prior approval by the Audit Committee of the Company whether at a meeting or resolution by circulation.

*Provided that only those members of the audit Committee, who are independent directors, shall approve related party transactions.*

- (b) All Related Party Transactions of a subsidiary(ies) and subsequent material modifications, to which the Company is not a party shall require prior approval of Audit Committee, if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year:
  - exceeds 10% of the annual consolidated turnover, as per the last audited financial statements of the Company (up to March 31, 2023)
  - exceeds 10% of the annual standalone turnover, as per the last audited financial statements of the subsidiary (w.e.f. April 1, 2023)
- (c) For the ease of carrying out transactions/ contracts/ arrangements that are foreseeable and repetitive, the Audit Committee may grant omnibus approval, based on criteria prescribed under the Applicable Law, to such transactions which are in ordinary course of business at arms-length basis and transactions of the routine nature (except Material Related Party Transactions under the Applicable Law and subsequent material modification as defined by audit committee under this policy.). Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the business interest of the Company.

- (d) 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 .i.e; omnibus approval shall be valid for a period of one year.
- (e) Omnibus approval shall specify (i) name/s of the related party; (ii) nature of transaction; (iii) period/duration of transaction; (iv) maximum amount of transaction that can be entered into; (v) Indicative base price / current contracted price and formula for variation in price, if any; (vi) such other conditions as the Audit Committee may deem fit to take a decision on the proposed transaction.
- (f) The approval of the Audit Committee will be required for all Related Parties Transactions for which no omnibus approval has been accorded.
- (g) 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. 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.
- (h) 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.
- (i) Exceptions allowed under Applicable Law to Related Party Transactions may be exempted from the scope of this Policy.
- (j) 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.
- (k) In cases where the need for Related Party Transaction cannot be foreseen and details as required under (e) above are not available, the Audit Committee may grant omnibus

approval for such transactions subject to their value not exceeding Rs. 1 Crore per transaction.

The Audit Committee will undertake an evaluation of the Related Party Transaction. If that evaluation indicates that the Related Party Transaction would require prior approval of the Board, in case of transactions falling under Section 188 of the Companies Act, 2013 or Material Related Party Transactions under Act and/or Listing Regulations, 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.

- (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 term (g) any other information relevant or important for the Board to take decision on the proposed transaction; and (h) such other information as may be required under the Applicable Law.
- (m) In case of Material Related Party Transactions under the Applicable Law, the Board shall ensure that the same be put up for prior approval by the shareholders of the Company.
- (n) If prior approval of the Board or shareholders for entering into a Related Party Transaction in terms of Section 188 (1) of the Act or Material Related Party Transactions under the Act respectively is not feasible, then the Related Party Transaction shall be subject to ratification by the Board / shareholders within 3 months of entering into such contract or arrangement.
- (o) In the event the Company becomes aware of a transaction with a related party that has not been approved prior to its commencement, the matter shall be reviewed by the Audit Committee. The Audit Committee shall consider all the relevant facts and circumstances regarding the related party transaction, and shall evaluate all options available to the Company, including ratification, revision or termination of the related party transaction.
- (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 as applicable 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) In terms of the 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 under Act/ Listing Regulations, as amended from time to time.
- (s) In connection with any review of a Related Party Transaction, the Audit Committee has authority to modify or waive any procedural requirements of this Policy.
- (t) Nothing in this Policy shall override any provisions of law made in respect of any matter stated in this Policy.

#### C. Procedures for review and approval of Material Related Party Transactions

All material related party transactions and subsequent material modifications as defined by the audit committee shall require prior approval of the shareholders through resolution and no related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not.

#### D. 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 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
- (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.

*A. Determination of Ordinary Course of Business*

- i. A transaction shall be 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. pertaining to 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.

#### *B. 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 Material Related Party Transaction under Act.

For material related party transactions under listing regulations and material modification as defined by the audit Committee under this policy, where prior approval of shareholders required, no related party shall vote to approve such resolutions whether the entity is a party to the particular transaction or not.

The requirement of obtaining approval of the material related party transactions under the Act/ listing regulations and material modification as defined by the audit Committee under this policy and the voting restrictions shall however not be applicable for:

1. any transaction entered between a holding Company and its wholly owned subsidiary whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.
2. transactions entered into between two wholly owned subsidiaries of the listed holding company, whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.

#### *C. 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.

#### *D. Disclosures*

The Company shall upload this Policy on its website i.e., [www.aegisindia.com](http://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 submit to the stock exchanges disclosures of related party transactions in the format as specified by the Board from time to time, and publish the same on its website in accordance with the Listing Regulations.

The Company shall also make relevant disclosures in its Annual Report and maintain such registers as required in accordance with the Applicable Laws.

### **AMENDMENTS**

The Board of Directors may subject to the applicable laws amend any provisions(s) or substitute any of the provisions(s) with the new provision(s) or replace the policy entirely with a new policy. The Policy is subject to review from time to time.

In the event of any conflict between the provisions of this Policy and of Act / Listing Regulations or any other statutory enactments, rules, the provisions of such Act / Listing Regulations or statutory enactments, rules shall prevail over this Policy.

Place: Mumbai

Date: 24th March, 2022