

# **KESAR TERMINALS & INFRASTRUCTURE LIMITED**

## **POLICY ON MATERIAL SUBSIDIARY**

### **SCOPE:**

This policy is prepared in accordance with the requirements of good corporate governance and specifically in accordance with the provisions of Clause 49 of the Equity Listing Agreement ("Listing Agreement") with the Stock Exchanges and shall be effective from 1st October, 2014.

### **OBJECTIVE:**

The objective of the Policy is to determine the Material Subsidiaries of Kesar Terminals & Infrastructure Limited and to provide the governance framework for such subsidiary / ies.

### **DEFINITION:**

**"Audit Committee"** means Audit Committee constituted by the Board of Directors of the Company, from time to time, under Section 177 of the Companies Act, 2013 and the Listing Agreement.

**"Board of Directors"** or "Board" means the Board of Directors of Kesar Terminals & Infrastructure Limited, as constituted from time to time.

**"Company"** means a company incorporated under the Companies Act, 2013 or any other previous company law.

**"Independent Director"** means a director of the Company, not being in whole time employment and who is neither a Promoter nor belongs to the Promoter Group of the Company and who satisfies the criteria for independence as prescribed under Section 149 of the Companies Act, 2013 and the Listing Agreement with the Stock Exchanges.

**"Policy"** means Policy on Material Subsidiary.

**"Material Non-Listed Indian Subsidiary"** mean a Material Subsidiary which is incorporated in India and which is not listed on any of the Indian Stock Exchanges.

**"Significant Transaction or Arrangement"** means 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"** shall mean a subsidiary as defined under the Companies Act, 2013.

### **POLICY:**

A subsidiary shall be a Material Subsidiary, if any of the following conditions are satisfied:

a) if the investment of the Company in the Subsidiary exceeds twenty per cent (20%) of its consolidated net worth as per the audited balance sheet of the previous financial year.

OR

b) if the Subsidiary has generated twenty per cent (20%) of the consolidated income of the Company during the previous financial year.

2) One independent director on the Board of Directors of the holding company shall be a Director on the Board of Directors of a material non-listed Indian subsidiary company.

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- 3) The Audit Committee of the listed holding company shall also review the financial statements, in particular, the investments made by the unlisted subsidiary company.
- 4) The minutes of the Board meetings of the Unlisted Subsidiary Company shall be placed at the Board meeting of the Listed Holding Company.
- 5) The Management shall on a quarterly basis bring to the attention of the Board of Directors of the Company, a statement of all Significant Transactions and Arrangements entered into by the Unlisted Subsidiary Company.
- 6) The Management shall present to the Audit Committee annually the list of such subsidiaries together with the details of the materiality defined herein. The Audit Committee shall review the same and make suitable recommendations to the Board including recommendation for appointment of Independent Director in the Material Non-Listed Indian Subsidiary.
- 7) The Company, without the prior approval of the members by Special Resolution, shall not:
  - a) 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 the exercise of control over the subsidiary except in cases where such divestment is made under a scheme of arrangement duly approved by a Court/Tribunal.
  - b) sell, dispose and lease the assets of the material subsidiary amounting to more than twenty percent (20%) of the assets of the material subsidiary on an aggregate basis during a financial year, unless the sale/disposal/lease is made under a scheme of arrangement duly approved by a Court/Tribunal."

### **MISCELLANEOUS:**

The Policy shall be disclosed on the website of the Company at [www.kesarinfra.com](http://www.kesarinfra.com).

All words and expressions used in this Policy shall have the same meaning as assigned to them in the Companies Act, 2013, rules made there under and Clause 49 of the Listing Agreement, as amended from time to time.

The Board of Directors of the Company may subject to applicable laws is entitled to amend, suspend or rescind this Policy at any time. Any difficulties or ambiguities in the Policy will be resolved by the Board of Directors in line with the broad intent of the Policy.

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