



KESAR TERMINALS & INFRASTRUCTURE LIMITED

Regd. Off: Oriental House, 7 Jamshedji Tata Road, Churchgate, Mumbai - 400 020, India. Website : <http://www.kesarinfra.com>
Phone : (+91-22) 22042396 / 22851737 Fax : (+91-22) 22876162 Email : headoffice@kesarinfra.com
CIN : L45203MH2008PLC178061 GSTN : 24AADCK2945C1ZR

RELATED PARTY TRANSACTIONS POLICY (Revised as on 14th February, 2019)

1. Scope & Applicability

The Policy will be applicable to the Company with respect to all prospective Related Party Transactions.

2. Objective

Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 provides, among other things, that the Company shall formulate a Policy on dealing with Related Party Transactions. This Policy intends to comply with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as may be amended from time to time) and the Companies Act, 2013 read with Rules and Regulations made thereunder, to ensure proper approval and reporting of dealings with Related Parties.

3. Key Definitions

“**The Act**” means the Companies Act, 2013, including the Rules, Regulations schedules, clarifications and guidelines issued and amended by the Ministry of Corporate Affairs, from time to time.

“**The Company**” Means **Kesar Terminals & Infrastructure Limited**.

“**Arms’ length Transaction**”, means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.

“**Audit Committee**” shall mean the Audit Committee of the Board of Directors constituted in accordance with the provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

“**Board**” refers to Board of Directors of ‘**Kesar Terminals & Infrastructure Limited**’

“**Key Managerial Personnel**” in relation to the Company shall be as defined under Section 2(51) of the Companies Act, 2013, as amended from time to time.

“**Material Related Party Transaction**” is a transaction with a Related Party, which either individually or taken together with previous transactions with a Related Party 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. However, a transaction involving payments made to a related party with respect to brand usage or royalty shall be considered material if the transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds two percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

“**Related Party**” means a related party as defined under sub-section (76) of Section 2 of the Act and Regulation 2(1) (zb) of the Listing Regulations.



KESAR TERMINALS & INFRASTRUCTURE LIMITED

Regd. Off: Oriental House, 7 Jamshedji Tata Road, Churchgate, Mumbai - 400 020, India. Website : <http://www.kesarinfra.com>
Phone : (+91-22) 22042396 / 22851737 Fax : (+91-22) 22876162 Email : headoffice@kesarinfra.com
CIN : L45203MH2008PLC178061 GSTN : 24AADCK2945C1ZR

“Related Party Transaction” means

- For the purpose of the Act, specified transactions of the Company with the Related Parties mentioned in clause (a) to (g) of Section 188(1) and clause (iv) of Section 177(4) of the Act;
- For the purpose of Regulation 2(1) (zc) of the Listing Regulations, transfer of resources, services or obligations between the Company and a Related Party, regardless of whether a price is charged. A "transaction" with a related party shall be construed to include single transaction or a group of transactions in a contract. Provided that this definition shall not be applicable for the units issued by mutual funds which are listed on recognized stock exchange(s).

“Relative” means relative as defined under sub-section (77) of Section 2 of the Act and Rules prescribed there under. Provided that this definition shall not be applicable for the units issued by mutual funds which are listed on recognised stock exchange(s).

“SEBI LODR” means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) and/or re enactment(s) thereof for the time being in force).

4. Materiality Thresholds

In accordance with Regulation 23 of the Listing Regulations, the Company has formulated this Policy on materiality of related party transactions and on dealing with related party transactions including clear threshold limits duly approved by the Board of Directors. This Policy shall be reviewed by the Board of Directors at least once every three years and updated accordingly.

The Listing Regulations requires a Company to provide materiality thresholds for transactions beyond which the Shareholders' approval will be required by way of a resolution. The Company has fixed its materiality threshold at ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, for the purpose of Regulation 23 of the Listing Regulations.

However, a transaction involving payments made to a related party with respect to brand usage or royalty shall be considered material if the transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds two percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

5. Manner of Dealing with Related Party Transactions

All Related Party Transactions must be reported to the Audit Committee for its approval in accordance with this Policy.

5.1 Identification of Related Parties

Each Director and Key Managerial Personnel is responsible for providing Notice to the Board or Audit Committee of any potential Related Party Transaction involving him/ her or his/ her relative, including any additional information about the transaction that the Board or Audit Committee may request. The Board shall record the Disclosure of Interest and the Audit Committee will determine whether the transaction does, in fact, constitute a Related Party Transaction requiring compliance with this Policy.



KESAR TERMINALS & INFRASTRUCTURE LIMITED

Regd. Off: Oriental House, 7 Jamshedji Tata Road, Churchgate, Mumbai - 400 020, India. Website : <http://www.kesarinfra.com>
Phone : (+91-22) 22042396 / 22851737 Fax : (+91-22) 22876162 Email : headoffice@kesarinfra.com
CIN : L45203MH2008PLC178061 GSTN : 24AADCK2945C1ZR

The Chief Financial Officer of the Company shall at all times maintain a database of the Company's Related Parties containing the names of individuals and Companies, identified on the basis of the definition set forth in the Key Definition Section above, along with their personal/ Company details, including any revisions therein.

5.2 Identification of potential Related Party Transactions

The concerned department /executive of the Company entering into a transaction shall identify related party transactions based on the list of Related Parties identified under (5.1) above, in accordance with Section 177 and 188 of the Act and Regulation 23 of the Listing Regulations. Thereafter the concerned department/executive of the Company entering into the transaction shall evaluate whether the transaction is at arm's length and in the ordinary course of business or whether the transaction is Material. For this purpose the Company may seek external professional opinion, if necessary.

5.3. Approval of Related Party Transactions

5.3.1 Prior approval of Audit Committee

All Related Party Transactions shall require prior approval of the Audit Committee, whether at a meeting or by circular.

Any member of the Audit Committee who has a potential interest in any Related Party Transaction will abstain from discussion and voting on the approval of the Related Party Transaction.

Procedure for approval

The Audit Committee will be provided with all relevant material information of Related Party Transactions, including the terms of the transaction, the business purpose of the transaction, the benefits to the Company and to the Related Party, and any other relevant matters.

The Audit Committee may accordingly approve or modify such transactions, in accordance with this Policy and/ or recommend the same to the Board for approval.

The Audit committee shall ensure that adequate deliberations are held before approving Related Party Transactions which are not in the Ordinary Course of Business or not on Arm's Length or Material Specific Transactions and assure themselves that the same are in the interest of the Company and its Shareholders.

Omnibus Approval

The Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the Company subject to the following conditions:

- a) The Audit Committee, after obtaining approval of the Board of Directors, shall lay down the criteria for granting the omnibus approval in line with the Policy.
- b) The Audit Committee shall satisfy itself about the need for such omnibus approval and that such approval is in the interest of the Company;
- c) Such omnibus approval shall specify -
 - the name/s of the Related Party, nature of transaction, period/ duration of transaction, maximum amount of transaction in aggregate that can be entered into during the year, maximum value per transaction;



KESAR TERMINALS & INFRASTRUCTURE LIMITED

Regd. Off: Oriental House, 7 Jamshedji Tata Road, Churchgate, Mumbai - 400 020, India. Website : <http://www.kesarinfra.com>
Phone : (+91-22) 22042396 / 22851737 Fax : (+91-22) 22876162 Email : headoffice@kesarinfra.com
CIN : L45203MH2008PLC178061 GSTN : 24AADCK2945C1ZR

- the indicative base price/ current contracted price and the formula for variation in the price if any; and
 - such other conditions as the Audit Committee may deem fit; Provided that where the need for Related Party Transaction cannot be foreseen and aforesaid details are not available, the Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding Rs.1 crore per transaction.
- d) The Audit Committee shall review, at least on a quarterly basis, the details of Related Party Transactions entered into by the Company pursuant to each of the omnibus approval given.
- e) Such omnibus approvals shall be valid for a period not exceeding one financial year and shall require fresh approvals after the expiry of such financial year.

The Audit Committee shall consider the following factors while specifying the criteria for making omnibus approval, namely:-

- i. repetitiveness of the transactions (in past or in future);
- ii. justification for the need of omnibus approval

The requirement for seeking Audit Committee approval shall not be applicable to transactions between the Company and its wholly owned subsidiary/ies whose accounts are consolidated with the Company.

Transaction of following nature will not be subject to the omnibus approval of the Audit Committee:

1. Transactions which are not at arm's length or not in the ordinary course of business;
2. Transactions which are not repetitive in nature;
3. Transactions exceeding materiality thresholds as laid down in Clause 5 of the Policy;
4. Transactions in respect of selling or disposing of the undertaking of the Company;
5. Financial Transactions e.g. Loan to related parties, Inter Corporate Deposits, subscriptions to bond, debenture or preference shares issued by the related parties, corporate guarantee given/received from related parties.
6. Any other transaction the Audit Committee may deem not fit for omnibus approval

5.3.2 Prior approval of Board of Directors

Transactions with Related Parties which are either not in the Ordinary Course of Business or are not at Arms' Length shall require pre-approval by the Board. Such approval shall be given only by means of a Resolution passed at a Meeting of the Board. The Company may if it considers necessary, and shall if the Audit Committee or Board so requires, seek external professional opinion to determine whether a Related Party Transaction is in the Ordinary Course of Business and/ or at Arms' Length.

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.

In addition to the above, the following kinds of transactions with Related Parties will also be placed before the Board for its approval:

- Transactions which may be in the Ordinary Course of Business and at Arm's Length Basis, but which are as per the policy determined by the Board from time to time (i.e., value threshold and/ or other parameters), will require Board approval in addition to Audit Committee approval;
- Transactions in respect of which the Audit Committee is unable to determine whether or



KESAR TERMINALS & INFRASTRUCTURE LIMITED

Regd. Off: Oriental House, 7 Jamshedji Tata Road, Churchgate, Mumbai - 400 020, India. Website : <http://www.kesarinfra.com>
Phone : (+91-22) 22042396 / 22851737 Fax : (+91-22) 22876162 Email : headoffice@kesarinfra.com
CIN : L45203MH2008PLC178061 GSTN : 24AADCK2945C1ZR

not they are in the Ordinary Course of Business and/ or at Arm's Length Basis and decides to refer the same to the Board for approval;

- Transactions which are in the Ordinary Course of Business and at Arm's Length Basis, but which in the Audit Committee's view requires Board approval.
- Transactions meeting the materiality thresholds laid down in the Policy, which are intended to be placed before the Shareholders for approval.

In case of a transaction, other than transactions referred to in Section 188 of the Companies Act, 2013, and where Audit Committee does not approve the transaction, it shall make its recommendations to the Board.

The Agenda of the Board Meeting at which the Resolution is proposed to be moved for approval of the Related Party Transaction shall disclose the following details:

- (i) the name of the Related Party and the nature of relationship;
- (ii) the nature, duration and particulars of the contract or arrangement;
- (iii) the material terms of the contract or arrangement, including the value, if any;
- (iv) any advance paid or received for the contract or arrangement, if any;
- (v) the manner of determining the pricing and other commercial terms, both included as part of contract and not considered as part of contract;
- (vi) 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
- (vii) any other information relevant or important for the Board to take a decision on the proposed transaction.

While assessing a proposal put up before the Audit Committee/ Board for approval, the Audit Committee/ Board may review the following documents/ seek the following information from the Management in order to determine if the transaction is in the Ordinary Course of Business and at Arm's Length or not:

- The name of the Related Party and nature of relationship;
- The nature, duration of the contract and particulars of the contract or arrangement;
- The material terms of the contract or arrangement including the value, if any;
- Any advance paid or received for the contract or arrangement, if any;
- The manner of determining the pricing and other commercial terms, both included as part of contract and not considered as part of the contract;
- 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
- Any other information relevant or important to take a decision on the proposed transaction.

Audit Committee and/or Board may call for such additional information as may be required for granting approval to such Transactions.

5.3.3 Prior approval of Shareholders

Shareholders' approval shall be sought for transactions with Related Parties in the following cases:

- ❖ All Material Related Party Transactions shall require approval of the Shareholders through a resolution. For this purpose, no entity falling under the definition of Related Parties shall vote to approve the relevant transaction irrespective of whether the entity is a party to the particular transaction or not. However, the requirements specified in this sub-clause shall not apply in respect of a resolution plan approved under section 31 of the Insolvency Code, subject to the event being disclosed to the recognized Stock Exchanges within one day of the resolution plan being approved.



KESAR TERMINALS & INFRASTRUCTURE LIMITED



Regd. Off: Oriental House, 7 Jamshedji Tata Road, Churchgate, Mumbai - 400 020, India. Website : <http://www.kesarinfra.com>
Phone : (+91-22) 22042396 / 22851737 Fax : (+91-22) 22876162 Email : headoffice@kesarinfra.com
CIN : L45203MH2008PLC178061 GSTN : 24AADCK2945C1ZR

The requirement for seeking Shareholders' approval shall not be applicable to transactions between the Company and its wholly owned subsidiary/ies whose accounts are consolidated with the Company.

- ❖ Transactions with Related Parties, other than Material Related Party Transactions, which are either not in the Ordinary Course of Business or are not on an Arm's Length Basis and exceeds the thresholds provided under the Act, shall also require the prior approval of the Shareholders by a Resolution and all Related Parties shall abstain from voting on such Resolution.

Threshold limits as prescribed from time to time under the Companies Act, 2013, which currently are as follows:

Nature of transaction	Monetary threshold limit
Sale, purchase or supply of goods or materials (directly or through appointment of agent)	Exceeding 10% of the turnover of the Company or Rs.100 crores, whichever is lower*
Selling or otherwise disposing of, or buying property of any kind (directly or through an agent)	Exceeding 10% of the net worth of the Company or Rs.100 crores, whichever is lower*
Leasing of property of any kind	Exceeding 10% of the net worth of the Company or 10% of the turnover of the Company or Rs.100 crores, whichever is lower*
Availing or rendering of any services (directly or through an agent)	Exceeding 10% of the turnover of the Company or Rs.50 crores, whichever is lower*
Appointment to any office or place of profit in the company, subsidiary company or associate company	Remuneration exceeding Rs.2.5 lakhs per month
Underwriting the subscription of any securities or derivatives thereof of the Company	Remuneration exceeding 1% of the net worth of the Company

* Applies to transaction or transactions to be entered into either individually or taken together with the previous transactions during a Financial Year.

The turnover or net worth referred to above shall be computed on the basis of the audited financial statements of the preceding Financial Year.

5.3.4 Related party transactions not approved under this Policy

In the event the Company becomes aware of a Transaction with a Related Party that has not been approved under this Policy prior to its consummation, 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. The Committee shall also examine the facts and circumstances pertaining to the failure of reporting such Related Party Transaction to the Committee under this Policy and failure of the internal control systems, and shall take any such action it deems appropriate.

In any case, where the Audit Committee determines not to ratify a Related Party Transaction that has been commenced without approval, the Audit Committee, as appropriate, may direct additional actions including, but not limited to, discontinuation of the transaction or seeking the approval of the Shareholders, payment of compensation for the loss, if any, suffered by any party to the transaction, etc. In connection with any review/ approval of a Related Party Transaction, the Audit Committee has the authority to modify or waive any procedural requirements of this Policy.



KESAR TERMINALS & INFRASTRUCTURE LIMITED

Regd. Off: Oriental House, 7 Jamshedji Tata Road, Churchgate, Mumbai - 400 020, India. Website : <http://www.kesarinfra.com>
Phone : (+91-22) 22042396 / 22851737 Fax : (+91-22) 22876162 Email : headoffice@kesarinfra.com
CIN : L45203MH2008PLC178061 GSTN : 24AADCK2945C1ZR

6. Disclosures

The Company shall disclose, in the Board's Report forming part of the Annual Report, transactions prescribed under Section 188(1) of the Act with Related Parties, which are not in Ordinary Course of Business or Arm's Length Basis, along with the justification for entering into such transaction.

In addition to the above, the Company shall also provide details of all Related Party Transactions meeting the materiality threshold (laid down in Clause 6 of the Policy above) on a quarterly basis to the Stock Exchanges where it is listed.

Further, the Company shall submit within 30 days from the date of publication of Standalone and Consolidated financial results for the half year, disclosure of related party transactions on a consolidated basis, in the format specified in the relevant accounting standards for annual results, to the stock exchanges and publish the same on its website.

This Policy shall be uploaded on the website of Company www.kesarinfra.com and a web link thereto shall be provided in the Annual Report of the Company.