



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 8th February, 2022)

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 or under the applicable accounting standards, 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**.

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

“**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**’

“**Related Party**” means a related party as defined under sub-section (76) of section 2 of the Companies Act, 2013 or under the applicable accounting standards:

“Provided that:

- (a) any person or entity forming a part of the promoter or promoter group of the Company; or
- (b) any person or any entity, holding equity shares:
 - (i) of twenty per cent or more; or
 - (ii) of ten per cent or more, with effect from April 1, 2023, in the Company either directly



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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:"

“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.

“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’: A transaction with a related party shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity.

“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;
- As per LODR “related party transaction” means a transaction involving a transfer of resources, services or obligations between:
 - (i) a listed entity or any of its subsidiaries on one hand and a related party of the listed entity or any of its subsidiaries on the other hand; or
 - (ii) a listed entity 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 Company 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.

“Material Modification of a Related Party Transaction” shall mean such modification in the transaction which changes the nature, pricing, periodicity or other key terms and conditions significantly from those which were previously approved by the Audit Committee and such modification is of such a nature, which requires the



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Audit Committee to re-consider the transaction as a whole, provided that the following shall be deemed to be material modification:

- a. Change in amount payable or receivable under a transaction by more than 10%.
- b. Change in periodicity of transaction by more than 3 months;
- c. Change in % of Interest being charged under an agreement by more than 1%
- d. Change in credit period by more than 15 days

Notwithstanding the above, the Audit Committee, may while approving any related party transaction, define the criteria based on which material modification in said the transaction shall be ascertained for the purpose of approval by the Audit Committee

“**Relative**” means relative as defined under sub-section (77) of Section 2 of the Act and Rules prescribed there under.

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



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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.

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.

Information to be reviewed by the Audit Committee for approval of RPTs

The Company shall provide following information, for review of the audit committee for approval of a proposed RPT:

- a. Type, material terms and particulars of the proposed transaction;
- b. Name of the related party and its relationship with the Company or its subsidiary, including nature of its concern or interest (financial or otherwise);
- c. Tenure of the proposed transaction (particular tenure shall be specified);
- d. Value of the proposed transaction;



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- e. The percentage of the listed Company's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction (and for a RPT involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis shall be additionally provided);
- f. If the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary:
 - i) details of the source of funds in connection with the proposed transaction;
 - ii) where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments,
 - nature of indebtedness;
 - cost of funds; and
 - tenure;
 - iii) applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security; and
 - iv) the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT.
- g. Justification as to why the RPT is in the interest of the listed entity;
- h. A copy of the valuation or other external party report, if any such report has been relied upon;
- i. Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT on a voluntary basis;
- j. Any other information that may be relevant

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;



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- 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.

5.3.2 Prior approval of Board of Directors/Shareholders

Transaction(s) with Related Party(s) not in the ordinary course of business and/or not at arm's length shall require prior approval of the Audit Committee as well as the Board and in accordance with the provisions of Section 188 of the Act, SEBI LODR and other applicable laws.

Transaction(s) crossing the limits set out Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, as may be amended from time to time, shall require prior approval of the shareholders of the Company in accordance with the procedure set out in Section 188 of the Act. For the purpose of such Transaction(s), the limits shall apply for transaction or transactions to be entered into either individually or taken together with the previous transactions during a financial year. 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.

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



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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.

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
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
Leasing of property of any kind	Exceeding 10% of the turnover of the Company
Availing or rendering of any services (directly or through an agent)	Exceeding 10% of the turnover of the Company
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



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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.

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.
