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

Contents:-

1. Introduction and Background
2. Scope &Inclusion
3. Terms and References
4. Policy
5. Amendment
6. Review

1. Introduction and Background:

FLI-HI MARITIME TRAVELS LIMITED ("Company") recognizes that related party transactions can present potential or actual conflicts of interest and may raise questions about whether such transactions are consistent with the Company's and its stakeholders' best interests.

2. Scope & Inclusion:

This policy sets definition of materiality of related party transactions and dealing with related party transactions.

3. Terms and References:

Materiality of related party transactions

Contracts / arrangements with a related party shall be considered as material related party contracts / arrangements if the transactions to be entered into individually or taken together with previous transactions during a financial year under such contracts / arrangements exceed ten percent of the annual consolidated turnover of the Company as per the last audited financial statement or such sum as may be prescribed under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and as amended from time to time.

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

4. Policy

4.1 All related party contracts / arrangements shall be entered on arms' length basis.
4.2 In exceptional circumstances, where permitted by law, related party contracts / arrangements may deviate from the principle of arm's length, after approval from Audit Committee and the Board of Directors, as the case may be.
4.3 All related party contract / arrangements shall be in compliance with the provisions of the Companies Act, 2013, (the 'Act'), Listing Regulations and applicable Accounting Standards, as amended from time to time.
4.4 All domestic related party contracts / arrangements shall, wherever applicable, comply with Domestic Transfer Pricing Requirement under section 92BA of Income Tax Act, 1961 including certification from independent accountants under the Transfer Pricing Regulations.
4.5 All international related party contract / arrangements shall comply with International Transfer Pricing Requirement under section 92B of Income Tax Act, 1961 including certification from independent accountants under the Transfer Pricing Regulations.
4.6 All related party contracts / arrangements shall require prior approval of the Audit Committee or the Board of Directors or the Shareholders of the Company, as the case may be, as required under and subject to the Act and the Listing Regulations.

5. Amendment

Any subsequent amendment / modification in the Listing Regulations or the Act or any other governing Act/Rules/Regulations or re−enactment, impacting the provisions of this Policy, shall automatically apply to this Policy and the relevant provision(s) of this Policy shall be deemed to be modified and/or amended to that extent, even if not incorporated in this Policy.

6. Review

This Policy will be reviewed as and when required but at least once in three years.