

NEPTUNE EXPORTS LIMITED

CIN: L51909WB1982PLC034494

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

1. INTRODUCTION & SCOPE

The Company acknowledges that transactions with Related Parties can create potential or actual conflict of interests which may give rise to questions whether such transactions are consistent and in the interest of the Company and its stakeholders. The Company has therefore framed this Policy on determining materiality of related party transactions and on dealing with related party transactions.

2. MATERIALITY OF RELATED PARTY TRANSACTIONS

A Transaction with a Related Party shall be considered material if the transaction entered into individually or taken together with previous transactions during a Financial Year exceeds the thresholds provided in the Listing Agreement/Regulations or any subsequent amendments thereof.

3. POLICY

- a) All related party contracts/arrangements shall be entered in line with the Policy laid down by the Company.
- b) All Related Party contracts/arrangements shall be in the ordinary course of business and on an arm's length basis.
- c) The Related Party contracts/arrangements shall be entered in compliance with The Companies Act, 2013 and the Rules framed thereunder, the Listing Agreement/Regulations and the Accounting Standards.
- d) Audit Committee approval shall be required for all Related Party contracts/arrangements in terms of The Companies Act, 2013 and the Listing Agreement/Regulations.
- e) The Audit Committee may however grant omnibus approval for Related Party Transactions which are repetitive in nature and proposed to be entered into by the Company in a year in terms of the Listing Agreement/Regulations.
- f) In case the value of Related Party Transactions exceeds the value for which the omnibus approval was granted by the Audit Committee, same shall be placed at the next Audit Committee Meeting for ratification.
- g) The Audit Committee shall review on a quarterly basis the details of Related Party Transactions pursuant to each of the omnibus approvals given.
- h) All related party transactions, wherever applicable, shall ensure compliance with Transfer Pricing requirements under the applicable sections of The Income Tax Act, 1961 including certification from Independent Accountants under the Transfer Pricing Regulations.