

UFO MOVIEZ INDIA LIMITED

Regd. Office: Valuable Techno Park, Plot #53/1, Road #7, MIDC, Marol, Andheri (E), Mumbai – 400093

Tel: +91 22 40305060 Fax: +91 22 40305110

Email: corporate@ufomoviez.com

Website: www.ufomoviez.com;

CIN: L22120MH2004PLC285453

| | |
|-----------------------|---|
| Name of Policy | POLICY ON RELATED PARTY TRANSACTIONS |
|-----------------------|---|

Document History:

| Date of Board Approval | Effective Date | Summary |
|------------------------------|-----------------------------|---|
| 30 th March, 2015 | 14 th May, 2015 | The first policy on related party transactions adopted by the Board. |
| 29 th March, 2019 | 1 st April, 2019 | Amendments for updating the policy in line with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018. |
| 26 th May, 2022 | 1 st April, 2022 | Amendments for updating the policy in line with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2021. |

UFO MOVIEZ INDIA LIMITED

Regd. Office: Valuable Techno Park, Plot #53/1, Road #7, MIDC, Marol, Andheri (E), Mumbai – 400093

Tel: +91 22 40305060 Fax: +91 22 40305110

Email: corporate@ufomoviez.com

Website: www.ufomoviez.com;

CIN: L22120MH2004PLC285453

POLICY ON RELATED PARTY TRANSACTIONS

1. Preamble:

The Board of Directors (the “**Board**”) of UFO Moviez India Limited (the “**Company**”) has adopted this Policy on Related Party Transactions, which includes the materiality threshold and the manner of dealing with Related Party Transactions (this “**Policy**”), upon the recommendation of the Audit and Risk Management Committee of the Company, in compliance with the requirements of Section 188 of the Companies Act, 2013, rules made thereunder, the Securities And Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 (the “**Listing Regulations**”), and other rules and regulations as may be applicable. Amendments, from time to time, to this Policy, if any, shall be considered by the Board based on the recommendations of the Audit and Risk Management Committee. This Policy shall be duly approved by the Board and shall be reviewed by the Board at least once every three years and updated accordingly.

This Policy applies to transactions between the Company and one or more of its Related Parties. It provides a framework for governance and reporting of Related Party Transactions including material transactions.

2. Objective:

This Policy is intended to ensure due and timely identification, approval, disclosure and reporting of transactions between the Company and any of its Related Parties in compliance with the applicable laws and regulations as may be amended from time to time.

The provisions of this Policy are designed to govern the approval process and disclosure requirements to ensure transparency in the conduct of Related Party Transactions in the best interest of the Company and its shareholders and to comply with the statutory provisions in this regard.

3. Definitions:

“**Audit and Risk Management Committee**” or the “**Committee**” means the committee constituted by the Board of Directors of the Company in accordance with applicable law, including the Listing Regulations and the Companies Act, 2013..

“**Board**” has the meaning given to it under the Companies Act, 2013.

“**Companies Act, 2013**” means the Companies Act, 2013 and the rules thereunder, as amended.

“**Key Managerial Personnel**” has the meaning given to it under the Companies Act, 2013.

“Listing Regulations” shall mean the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

“Material Modifications of Related Party Transaction” in relation to the Company means and include any modification to an existing related party transaction having variance of 25% of the existing limit as sanctioned by the Audit Committee / Board / Shareholders, as the case may be.

“Material Related Party Transaction” means a (i) a Related Party Transaction where the transaction/transactions to be entered into individually or taken together with previous transactions with a Related Party during a financial year, exceeds rupees one thousand crore or ten percent of the consolidated annual turnover of the Company as per the last audited financial statements of the Company, whichever is lower; (ii) Notwithstanding (i), a transaction involving payments made to a Related Party with respect to brand usage or royalty shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed five percent (5%) of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

“Related Party” has the meaning given to it under the Companies Act, 2013 read with the Listing Regulations. An entity shall be considered as related to the Company if: (i) such entity is a related party under Section 2(76) of the Companies Act, 2013; or (ii) Listing Regulations; or (iii) the relevant Indian accounting standards as amended from time to time.

“Related Party Transaction” means any transaction with a Related Party under the relevant provisions of the Companies Act, 2013, Listing Regulations or any relevant Indian accounting standards, as amended from time to time.

“Relative” shall mean “relative” as defined in section 2(77) of the Companies Act, 2013 and rules prescribed there under.

All capitalized terms used in this Policy but not defined herein shall have the meaning assigned to such term in the Companies Act, 2013 and the Rules thereunder and the Listing Regulations, as amended from time to time.

In case of any conflict between this Policy and applicable law, the applicable law (as existing on the date of the concerned transaction) shall prevail.

4. Policy:

The Audit and Risk Management Committee shall review and approve all Related Party Transactions based on this Policy.

All proposed Related Party Transactions must be reported to the Audit and Risk Management Committee for prior approval by the Committee in accordance with this Policy. In the case of frequent / regular / repetitive transactions which are in the normal course of business of the Company, the Committee may grant standing pre-approval / omnibus approval, details whereof are given in a separate section of this Policy.

In exceptional cases, where a prior approval is not taken due to an inadvertent omission or due to unforeseen circumstances, the Committee may ratify the transactions in accordance with this Policy.

Provided that, in accordance with the Listing Regulations, the aforementioned requirements of approval shall not be applicable to transactions entered into between the Company and any of its wholly owned subsidiary(ies) and between two wholly-owned subsidiaries, whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval.

4.1 Identification of Potential Related Party Transactions:

For the purpose of identification of Potential Related Party Transactions, each director and Key Managerial Personnel shall give notice of disclosure of interest on an annual basis and upon any subsequent modifications in the last disclosure provided.

The Company Secretary shall be responsible for maintenance of an updated database of information pertaining to Related Parties reflecting details of:

- a) All Directors and Key Managerial Personnel of the Company;
- b) All individuals, partnership firms, companies and other persons as declared and updated by the Directors and Key Managerial Personnel of the Company;
- c) Company's holding company, subsidiary companies and associate companies;
- d) Subsidiaries of holding company;
- e) Director or Key Managerial Personnel of the holding company or their Relatives; and
- f) Any other entity which is a Related Party as defined under Section 2(76) of the Companies Act, 2013 read with Listing Regulations or the relevant Indian Accounting Standards as amended from time to time.

The database shall be updated whenever necessary and shall be reviewed at least once a year jointly by the Company Secretary and Chief Financial Officer. The functional / business heads / Chief Financial Officer / Company Secretary shall have access to the updated database.

Every Director, Key Managerial Personnel, Functional / Business heads, Chief Financial Officer of the Company will be responsible for providing prior intimation to the Company Secretary of any potential Related Party Transaction. They will also be responsible for providing additional information about the transaction that the Board / Committee may request, for being placed before the Committee and the Board.

The suggested details and list of records and supporting documents which are required to be provided along with the intimation of the proposed transaction are provided in **Annexure-I** to this Policy.

The Company Secretary in consultation with the Chief Financial Officer may refer any potential Related Party Transaction to any external legal / transfer pricing expert and the outcome or opinion of such exercise shall be brought to the notice of the Audit and

Risk Management Committee. Based on this notice, the Company Secretary will take it up for necessary approvals under this Policy.

4.2 Review and approval of Related Party Transactions:

All Related Party Transactions shall be subject to the prior approval of the Audit and Risk Management Committee whether at a meeting or by resolution by circulation or through electronic mode. A member of the Committee or the Board, as the case may be, who (if) has a potential interest in any Related Party Transaction will not remain present at the meeting, shall abstain from discussion and voting on such Related Party Transaction and shall not be counted in determining the presence of a quorum when such Transaction is considered. For the purposes of ascertaining whether a Related Party Transaction is on an arm's length basis or not, the definition of arm's length transaction as expressed in Section 188 of the Companies Act, 2013 shall be applicable.

Subject to exceptions provided under the Listing Regulations and the Companies Act, 2013, all Related Party Transactions and subsequent material modifications thereof shall require prior approval of the Audit and Risk Management Committee of the Company. A Related Party Transaction to which the unlisted subsidiary (ies) of the Company is a party but the Company is not a party, shall require prior approval of the Committee of the Company if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year exceeds ten percent of the consolidated annual turnover of the Company as per the last audited financial statements of the Company.

Provided that w.e.f. April 1, 2023, a Related Party Transaction to which the unlisted subsidiary (ies) of the Company is a party but the Company is not a party, shall require prior approval of the Committee of the Company if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year exceeds ten per cent of the standalone annual turnover of the subsidiary as per the last audited financial statements of the subsidiary.

Further, only the Independent Directors who are members of Audit and Risk Management Committee shall approve the Related Party Transactions.

4.2.1 Consideration by the Committee in approving the proposed Transactions:

While considering any transaction, the Committee shall take into account all relevant facts and circumstances including the terms of the transaction, the business purpose of the transaction, the benefits to the Company, and any other relevant matters.

Prior to the approval, the Committee shall consider, inter-alia, the following factors to the extent relevant to the transaction:

- a) Whether the terms of the Related Party Transaction are in the ordinary course of the Company's business and are on an arm's length basis;

- b) The business reasons for the Company to enter into the Related Party Transaction and the nature of alternative transactions, if any;
- c) Whether the Related Party Transaction includes any potential reputational risks that may arise as a result of or in connection with the proposed Transaction; and
- d) Whether the Related Party Transaction would affect the independence or present a conflict of interest for any Director or Key Managerial Personnel of the Company, taking into account the size of the transaction, the overall financial position of the Director, Key Managerial Personnel or other Related Party, the direct or indirect nature of the Director's interest, Key Managerial Personnel's or other Related Party's interest in the transaction and the ongoing nature of any proposed relationship and any other factors the Committee deems relevant.

While considering the arm's length nature of the transaction, the Committee shall take into account the facts and circumstances as were applicable at the time of entering into the transaction with the Related Party. The Committee shall also take into consideration subsequent events (i.e., events after the initial transactions have commenced) such as evolving business strategies / short term commercial decisions to improve / sustain market share, changing market dynamics, local competitive scenario, economic / regulatory conditions affecting the global / domestic industry, that may impact profitability but may not have a bearing on the otherwise arm's length nature of the transaction.

4.2.2 Approval by circular resolution of the Committee:

In the event the Company's management determines that it is impractical or undesirable to wait until a meeting of the Committee to enter into a Related Party Transaction, such transaction may be approved by the Committee by way of circular resolution in accordance with this Policy and statutory provisions for the time being in force.

4.2.3 Approval by the Board:

If the Committee determines that a Related Party Transaction should be brought before the Board, or if the Board in any case elects to review any such matter or it is mandatory under any law for Board to approve the Related Party Transaction, then the Board shall consider and approve the Related Party Transaction at a meeting and the considerations set forth above shall apply to the Board's review and approval of the matter, with such modification as may be necessary or appropriate under the circumstances. The agenda of the Board meeting at which the Related Party Transaction is proposed to be considered shall disclose the matters required by the Companies Act, 2013.

4.2.4 Standing pre-approval / omnibus approval by the Committee:

In the case of frequent / regular / repetitive transactions which are in the normal course of business of the Company, the Committee may grant standing pre-

approval / omnibus approval. While granting the approval, the Committee shall satisfy itself of the need for the omnibus approval and that same is in the interest of the Company. The omnibus approval shall specify the following:

- 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;
- e) The percentage of the 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 Company;
- h) A copy of the valuation or other external party report, if any such report has been relied upon;
- i) Any other information that may be relevant

Such transactions will be deemed to be pre-approved and may not require any further approval of the Committee for each specific transaction unless the price, value or material terms of the contract or arrangement have been varied / amended. Any proposed variations / amendments to these factors shall require a prior approval of the Committee.

Further, where the need of the Related Party Transaction cannot be foreseen and all prescribed details are not available, the Committee may grant omnibus approval subject to the value per transaction not exceeding Rs.1,00,00,000/- (Rupees One Crore only). The details of such transaction shall be reported at the next meeting of the Committee for ratification.

The omnibus approval shall be valid for a period not exceeding one year and fresh approval shall be obtained after the expiry of one year. Further, the Committee shall on a quarterly basis, review the details of Related Party

Transactions entered into by the Company pursuant to each of the omnibus approvals given.

Further, the Committee shall also review the status of long-term (more than one year) or recurring RPTs on an annual basis.

4.2.5 Approval of Material Related Party Transactions:

All Material Related Party Transactions shall require approval of the shareholders through special resolution and the Related Parties shall not vote to approve such resolution. Provided that the requirements specified under this clause shall not apply in respect of a resolution plan approved under section 31 of the Insolvency Code (as defined in the Listing Regulations), subject to the event being disclosed to the recognized stock exchanges within one day of the resolution plan being approved. Provided further that, in accordance with the Listing Regulations, the aforementioned requirement of approval shall not be applicable to transactions entered into between the Company and any of its wholly owned subsidiary(ies) whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval.

For the avoidance of doubt, no Related Parties shall vote to approve the any Material Related Party Transaction, irrespective of whether the Related Party is a party to the particular transaction or not.

4.2.6 Transactions not in ordinary course of business or not at arm's length:

- a. All Related Party Transactions specified in the Companies Act, 2013, which are not in the ordinary course of business or not at arms' length shall require the prior approval of the Board.
- b. All Related Party Transactions in excess of the relevant limits prescribed under the Companies Act, 2013, which are not in the ordinary course of business or not at arms' length shall also require the prior approval of the shareholders through resolution. The Related Parties (who are parties to the Related Party Transaction under consideration) shall not vote to approve such resolution. The explanatory statement to be annexed to the notice of the general meeting shall contain the details required by the Companies Act, 2013. Provided that the requirement of passing the resolution under this clause shall not be applicable for transactions entered into between the Company and its wholly owned subsidiary(ies) and between two wholly-owned subsidiaries, whose accounts are consolidated with such the Company and placed before the shareholders at the general meeting for approval.

4.2.7 Related Party Transactions not previously approved:

In the event the Company becomes aware of a Related Party Transaction that has not been approved under this Policy, the transaction shall be placed as promptly as practicable before the Committee or Board or the Shareholders as may be required in accordance with this Policy and applicable law for review and ratification.

The Committee or the Board or the Shareholders shall consider all relevant facts and circumstances respecting such transaction and shall evaluate all options available to the Company, including but not limited to ratification, revision, or termination of such transaction, and the Company shall take such action as the Committee deems appropriate under the circumstances. The Committee or the

Board shall also examine the facts and circumstances pertaining to the failure to report such Related Party Transaction under this Policy and failure of internal control systems, and shall take any such action as it deems appropriate.

In any case where either the Committee or the Board determines not to ratify a Related Party Transaction that has been commenced without approval, the Committee or the Board, as appropriate, may direct additional actions including, but not limited to, immediate discontinuation or rescission of the transaction or modification of the transaction to make it acceptable for ratification. In connection with any review of a Related Party Transaction, subject to applicable law, the Committee or the Board has authority to modify or waive any procedural requirements of this Policy.

4.2.8 Consequences of non-compliance with this Policy:

Any Director or other employee of the Company who had entered into or authorised any contract or arrangement in violation of this Policy, the Companies Act, 2013, the Listing Agreement or any other applicable law or regulation may be subject to such disciplinary proceedings as the Board may decide and penal consequences as prescribed by law.

4.3 Disclosure and reporting of Related Party Transactions:

The details of all material transactions with related parties shall be disclosed to the Stock Exchanges quarterly along with the compliance report on Corporate Governance.

The details of all transactions with related parties shall be submitted, in the format specified, half yearly to the stock exchanges, as per the manner and timelines set-out in the Listing Regulations and the same shall be published on the Company's website.

Every contract or arrangement, which is required to be approved by the Board or the shareholders under this Policy, shall be referred to in the Board's report to the shareholders along with the justification for entering into such contract or arrangement. The Company Secretary shall also make necessary entries in the Register of Contracts required to be maintained under the Companies Act, 2013.

5. Scope limitation:

In the event of any conflict between the provisions of this Policy and of the Listing Regulations / Companies Act, 2013 or any other statutory enactments or rules, the provisions of the Listing Regulations / Companies Act, 2013 or statutory enactments or rules shall prevail over this Policy.

6. Dissemination of Policy:

This Policy shall be disseminated to all functional and operational employees and other concerned persons of the Company and shall be hosted on the intra-net and website of the Company and a web link thereto shall be provided in the annual report of the Company.

ANNEXURE 1

INFORMATION TO BE PROVIDED TO THE AUDIT AND RISK MANAGEMENT COMMITTEE / BOARD IN RELATION TO THE PROPOSED RELATED PARTY TRANSACTION (TO THE EXTENT RELEVANT TO THE TRANSACTION):

1. Type, material terms and particulars of the proposed transaction;
2. Name of the related party and its relationship with the Company or its subsidiary, including nature of its concern or interest (financial or otherwise);
3. Tenure of the proposed transaction (particular tenure shall be specified);
4. Value of the proposed transaction;
5. The percentage of the 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);
6. 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.
7. Justification as to why the RPT is in the interest of the listed entity;
8. A copy of the valuation or other external party report, if any such report has been relied upon;
9. In case of existing or approved contracts, transactions, details of proposed variations to the duration, current price / value and / or material terms of the contract or arrangement including a justification to the proposed variations;
10. Any other information that may be relevant

INFORMATION TO BE PROVIDED IN THE NOTICE BEING SENT TO THE SHAREHOLDERS SEEKING APPROVAL FOR ANY PROPOSED RPT, IN ADDITION TO THE REQUIREMENTS UNDER THE COMPANIES ACT, 2013, AS A PART OF THE EXPLANATORY STATEMENT (TO THE EXTENT RELEVANT TO THE TRANSACTION):

1. A summary of the information provided by the management of the Company to the audit committee as specified above;
2. Justification for why the proposed transaction is in the interest of the Company;
3. Where the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the Company or its subsidiary, the details specified under point 6 above;
4. A statement that the valuation or other external report, if any, relied upon by the Company in relation to the proposed transaction will be made available through the registered email address of the shareholders;
5. Any other information that may be relevant.
