ZINEMA MEDIA AND ENTERTAINMENT LIMITED

CIN: L93190TN1984PLC096136

Registered Office – New Door Number 57, Old Door No.57, Sathya dev Avenue MRC Nagar, Raja Annamalaipuram, Chennai: 600028

Policy on Related Party Transactions

Adopted on: May 30, 2026

POLICY ON RELATED PARTY TRANSACTIONS

(Pursuant to Sections 177, 188 and 189 of the Companies Act, 2013 and Rules made thereunder)

1. INTRODUCTION

The Board of Directors of [Zinema Media and Entertainment] (hereinafter referred to as the "**Company**") has adopted this Policy on Related Party Transactions ("Policy") in accordance with the provisions of Sections 177, 188 and 189 of the Companies Act, 2013 ("Act"), read with the applicable rules made thereunder.

The Company recognises that Related Party Transactions may present potential or actual conflicts of interest and may raise questions regarding whether such transactions are being undertaken in the best interests of the Company and its shareholders.

Accordingly, this Policy has been formulated to establish procedures for identification, review, approval, monitoring and disclosure of Related Party Transactions, ensuring transparency, fairness and compliance with applicable statutory and regulatory requirements.

2. OBJECTIVE

The objectives of this Policy are:

a. To ensure proper identification and disclosure of Related Parties and Related Party Transactions.

b. To ensure that all Related Party Transactions are undertaken in compliance with the applicable provisions of the Act and rules made thereunder.

c. To establish procedures for obtaining necessary approvals from the Audit Committee, Board of Directors and shareholders, wherever applicable.

d. To ensure transparency and fairness in transactions with Related Parties.

e. To safeguard the interests of the Company and its shareholders.

f. To ensure that Related Party Transactions are undertaken on an arm's length basis and in the ordinary course of business, wherever applicable.

3. DEFINITIONS

For the purpose of this Policy, the following expressions shall have the meanings assigned to them below:

3.1 Act

"Act" means the Companies Act, 2013, including any statutory modification, amendment or re-enactment thereof.

3.2 Audit Committee

"Audit Committee" means the Audit Committee constituted by the Board of Directors of the Company pursuant to Section 177 of the Act, wherever applicable.

3.3 Board

"Board" means the Board of Directors of the Company.

3.4 Key Managerial Personnel (“KMP”)

"Key Managerial Personnel/ KMP" shall have the meaning assigned to it under Section 2(51) of the Act.

3.5 Related Party

"Related Party" shall have the meaning assigned to it under Section 2(76) of the Act and the applicable Accounting Standards.

3.6 Related Party Transaction

"Related Party Transaction" means any contract or arrangement entered into by the Company with a Related Party, as covered under the applicable provisions of the Act and rules made thereunder.

For the purpose of Section 188 of the Act, Related Party Transactions shall include:

a. Sale, purchase or supply of any goods or materials;

b. Selling or otherwise disposing of, or buying, property of any kind;

c. Leasing of property of any kind;

d. Availing or rendering of any services;

e. Appointment of any agent for purchase or sale of goods, materials, services or property;

f. Appointment of such Related Party to any office or place of profit in the Company, its subsidiary company or associate company; and

g. Underwriting the subscription of any securities or derivatives thereof of the Company.

3.7 Arm's Length Transaction

"Arm's 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.

3.8 Ordinary Course of Business

“Ordinary course of business” if transactions satisfy any of the following criteria, such transactions will be generally in the ordinary course of business: I. The memorandum of Association of the Company should cover such transaction; II. There are previous instances of the Company having carried out such transaction; III. These transactions are frequent over a period of time; IV. The transaction should be in furtherance of the business objectives of the Company; V. The transactions, if not frequent, are important to the business objectives of the Company; VI. The transactions are incidental to the industry/ part of standard industry practice or but for which the business would be adversely affected.

This is not exhaustive criteria and the Company should assess each transaction considering its specific type, nature, value and circumstances.

4. IDENTIFICATION OF RELATED PARTIES

4.1 The Company shall identify its Related Parties in accordance with Section 2(76) of the Act and applicable Accounting Standards.

4.2 Every Director and Key Managerial Personnel shall disclose their concern or interest in any company, body corporate, firm or other association of individuals in the prescribed manner.

4.3 The Company shall maintain an updated list of Related Parties based on disclosures received from Directors and KMPs and other information available with the Company.

4.4 Every Director and KMP shall promptly inform the Company of any change in their disclosures which may result in a person or entity becoming a Related Party.

4.5 The Company shall periodically review the list of Related Parties to ensure that all transactions with Related Parties are appropriately identified and monitored.

5. APPROVAL MECHANISM FOR RELATED PARTY TRANSACTIONS

All Related Party Transactions shall be subject to approval in accordance with the applicable provisions of the Act and rules made thereunder.

5.1 Approval of Audit Committee

In accordance with Section 177(4)(iv) of the Act, all Related Party Transactions shall require prior approval of the Audit Committee, subject to exemptions specifically provided under applicable law.

The Audit Committee shall consider the following while reviewing a proposed Related Party Transaction:

a. Name of the Related Party and nature of relationship;

b. Nature and details of the proposed transaction;

c. Commercial justification and business rationale;

d. Whether the transaction is in the ordinary course of business;

e. Whether the transaction is on an arm's length basis;

f. Pricing methodology and other commercial terms;

g. Whether the transaction is in the interest of the Company and its shareholders; and

h. Any other relevant information considered necessary by the Audit Committee.

The Audit Committee may approve, reject or modify the proposed Related Party Transaction.

Where Regulation 23 of SEBI LODR becomes applicable to the Company, only those members of the Audit Committee who are independent directors shall approve Related Party Transactions, in accordance with the said Regulation.

5.2 Omnibus Approval by Audit Committee

The Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the Company, subject to the conditions prescribed under the Companies (Meetings of Board and its Powers) Rules, 2014.

While granting omnibus approval, the Audit Committee shall consider:

a. The maximum aggregate value of transactions permitted under the omnibus approval during a financial year;

b. The maximum value of each individual transaction;

c. The extent and manner of disclosures required to be made to the Audit Committee;

d. The periodic review of Related Party Transactions entered into pursuant to such approval; and

e. Transactions which shall not be permitted under omnibus approval.

The omnibus approval shall contain or indicate:

- Name of the Related Party;
- Nature and duration of the transaction;
- Maximum amount of the transaction;
- Indicative base price or current contracted price and the formula for variation in price, if any; and
- Any other relevant information.

Where the need for a Related Party Transaction cannot be foreseen and the requisite details are not available, the Audit Committee may grant omnibus approval for such transactions, subject to the prescribed limit of Rs. 1 crore per transaction.

Omnibus approval shall remain valid for a period not exceeding one financial year and fresh approval shall be obtained after expiry of such period.

Omnibus approval shall not be granted for transactions relating to the sale or disposal of the undertaking of the Company.

Where Regulation 23 of SEBI LODR becomes applicable to the Company, omnibus approvals shall also comply with the conditions prescribed under the said Regulation.

5.3 Approval of Board of Directors

In accordance with Section 188 of the Act, the Company shall obtain prior approval of the Board of Directors by way of a resolution passed at a meeting of the Board before entering into any contract or arrangement with a Related Party in respect of transactions covered under Section 188, which are:

a. Not in the ordinary course of business; or

b. Not on an arm's length basis.

The agenda of the Board meeting shall contain the particulars prescribed under Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, including:

a. Name of the Related Party and nature of relationship;

b. Nature, duration of the contract and particulars of the contract or arrangement;

c. Material terms of the contract or arrangement, including the value, if any;

d. Any advance paid or received for the contract or arrangement, if any;

e. Manner of determining pricing and other commercial terms;

f. Whether all factors relevant to the contract have been considered and, if not, the details of factors not considered along with the rationale; and

g. Any other information relevant or important for the Board to take a decision on the proposed transaction.

Any Director who is interested in the proposed contract or arrangement shall not be present during discussions on the subject matter of the resolution, in accordance with applicable law.

5.4 Approval of Shareholders

In accordance with the first proviso to Section 188(1) of the Act read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, prior approval of shareholders by way of a resolution shall be obtained where the value of the proposed Related Party Transaction, individually or together with previous transactions during the financial year, reaches the prescribed thresholds:

Nature of transaction	**Prescribed threshold**
Sale, purchase or supply of goods or materials, directly or through an agent	10% or more of the turnover
Selling, disposing of or buying property, directly or through an agent	10% or more of the net worth
Leasing of property	10% or more of the turnover
Availing or rendering of services, directly or through an agent	10% or more of the turnover
Appointment to any office or place of profit	Monthly remuneration exceeding Rs. 2.50 lakh
Underwriting subscription of securities or derivatives	Remuneration exceeding 1% of the net worth

The turnover and net worth shall be calculated on the basis of the audited financial statements of the preceding financial year.

No member of the Company who is a Related Party shall vote on such resolution, subject to the exemptions provided under Section 188 of the Act.

The above shareholder approval requirements shall not apply to transactions entered into between a holding company and its wholly owned subsidiary, provided the accounts of such subsidiary are consolidated with the holding company and placed before the shareholders at the general meeting for approval, as provided under Section 188 of the Act.

Where Regulation 23 of SEBI LODR becomes applicable to the Company, prior approval of shareholders shall also be obtained for all material Related Party Transactions and subsequent material modifications, in accordance with the provisions of the said Regulation.

The shareholder approval requirements under the Companies Act and SEBI LODR shall be complied with independently, wherever applicable.

6. TRANSACTIONS IN ORDINARY COURSE OF BUSINESS AND ON ARM'S LENGTH BASIS

The provisions of Section 188(1) of the Act shall not apply to transactions entered into by the Company with Related Parties which are:

a. In the ordinary course of business; and

b. On an arm's length basis.

However, such transactions shall continue to be subject to the approval requirements under Section 177 of the Act and other applicable legal requirements, where applicable.

The Audit Committee and Board shall satisfy themselves that the transaction is genuinely in the ordinary course of business and is undertaken on an arm's length basis.

The Company shall maintain appropriate supporting documents and records to establish that the transactions are in the ordinary course of business and on an arm's length basis.

7. RELATED PARTY TRANSACTIONS NOT APPROVED UNDER THIS POLICY

7.1 Where any contract or arrangement is entered into by a Director or any other employee without obtaining the requisite approval under Section 188 of the Act, the matter shall be placed before the Board or shareholders, as applicable, for ratification within three months from the date of entering into such contract or arrangement.

7.2 If such transaction is not ratified within the prescribed period, it shall be voidable at the option of the Board or shareholders, as applicable, and the concerned Director shall indemnify the Company against any loss incurred by it, wherever applicable under the Act.

7.3 The Company may also initiate appropriate action against the concerned Director or employee in accordance with applicable law.

7.4 Any transaction entered into without obtaining the requisite approval of the Audit Committee shall also be dealt with in accordance with the applicable provisions of the Act and rules made thereunder.

8. DISCLOSURES AND RECORD MAINTENANCE

The Company shall ensure the following disclosures and records in relation to Related Party Transactions:

a. Disclosure of Related Party Transactions in the financial statements in accordance with applicable Accounting Standards and the Act.

b. Disclosure of contracts or arrangements with Related Parties in the Board's Report, along with justification for entering into such contracts or arrangements, wherever required under Section 188(2) of the Act.

c. Maintenance of the Register of Contracts or Arrangements in which Directors are interested in Form MBP-4, as prescribed under Section 189 of the Act and applicable rules.

d. Necessary disclosures in the annual report as required under applicable laws.

e. Filing of necessary forms and returns with the Registrar of Companies, wherever applicable.

f. Where Regulation 23 of SEBI LODR becomes applicable, disclosure of Related Party Transactions to the stock exchanges in the prescribed format and within the prescribed timelines.

g. Maintenance of necessary records of approvals granted by the Audit Committee, Board of Directors and shareholders, as applicable.

9. RESPONSIBILITY FOR IMPLEMENTATION

The Board of Directors, Audit Committee and Key Managerial Personnel shall be responsible for ensuring implementation of this Policy.

The Company Secretary, if appointed, or any other person authorised by the Board shall be responsible for maintaining records and ensuring compliance with the applicable provisions relating to Related Party Transactions.

All Directors and KMPs shall ensure timely disclosure of their interests and relationships to enable the Company to identify Related Party Transactions.

The management shall ensure that all proposed Related Party Transactions are placed before the appropriate authority for approval before entering into such transactions.

10. REVIEW AND MONITORING

The Audit Committee shall periodically review the Related Party Transactions entered into by the Company and shall ensure that the transactions are in accordance with the approvals granted.

The Company shall maintain appropriate records of all Related Party Transactions, including transactions undertaken pursuant to omnibus approvals.

Where Regulation 23 of SEBI LODR becomes applicable to the Company, the Policy on Related Party Transactions shall be reviewed by the Board of Directors at least once every three years and updated accordingly, or earlier whenever required under applicable law.

11. AMENDMENT AND REVIEW OF THE POLICY

The Board of Directors shall have the authority to amend or modify this Policy from time to time, subject to applicable provisions of the Companies Act, 2013, rules made thereunder and other applicable laws.

Any amendment in the applicable statutory provisions shall automatically apply to this Policy to the extent of such amendment.

The Policy shall be reviewed periodically and whenever required to ensure compliance with applicable laws.

12. EFFECTIVE DATE

This Policy shall come into effect from the date of its approval by the Board of Directors of the Company.

13. INTERPRETATION AND APPLICABILITY OF STATUTORY PROVISIONS

13.1 Interpretation and Supremacy of Applicable Law

In the event of any amendment, modification, substitution or re-enactment of the provisions of the Companies Act, 2013, rules made thereunder, or any other applicable laws, regulations, circulars or guidelines, or in the event of any inconsistency or conflict between the provisions of this Policy and the applicable statutory provisions, the amended, modified, substituted or re-enacted statutory provisions, as applicable, shall prevail over this Policy.

Any provision of this Policy which is inconsistent with or contrary to the applicable laws shall be deemed to be modified to the extent of such inconsistency, without affecting the validity and enforceability of the remaining provisions of this Policy.

The Company shall take necessary steps to amend this Policy suitably to bring it in conformity with the applicable statutory provisions.

13.2 Applicability of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

In the event the provisions of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations") become applicable to the Company pursuant to the thresholds prescribed under the proviso to Regulation 15(2)(b) of the SEBI LODR Regulations, the Company shall ensure compliance with the applicable provisions of both the Companies Act, 2013, and the SEBI LODR Regulations, simultaneously.

In such circumstances, the Board of Directors of the Company shall take necessary steps to review, modify and/or amend this Policy, as may be required, to ensure that the Policy is aligned with and

complies with the applicable provisions of the Companies Act, 2013, the rules made thereunder and the SEBI LODR Regulations, including all amendments and modifications thereto.

Until such modification or amendment is approved by the Board of Directors, the Company shall comply with the applicable statutory and regulatory requirements, and in case of any inconsistency between this Policy and the applicable provisions of law, the applicable statutory and regulatory provisions shall prevail.

For Zinema Media and Entertainment Limited
Sd/-
Managing Director