

**CORPORATE SOCIAL RESPONSIBILITY POLICY**

**OF**

**SOBO FILMS HOLDING PRIVATE LIMITED**

**CIN: U73100MH2012PTC225824**

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**I. PHILOSOPHY:**

Recognizing that business enterprises are economic organs of society and draw on societal resources, **SOBO FILMS HOLDING PRIVATE LIMITED** (“**The Company**”) believes that a company's performance must be measured by its Triple Bottom Line contribution to building economic, social and environmental capital towards enhancing societal sustainability. In the strategic context of business, enterprises possess, beyond mere financial resources, the transformational capacity to create game-changing development models by unleashing their power of entrepreneurial vitality, innovation and creativity. It is important for businesses not only to provide products and services to satisfy the customer, but also to ensure that the business is not harmful to the environment in which it operates. In order for an organization to be successful, the business must be built on ethical practices.

We need to bridge the divide to a fairer, more socially inclusive world. A world where we all live with, rather than at the expense of, nature and the environment. We still have time to act. But we don't have time to waste.

Further, the Company believes that an effective Corporate Social Responsibility (CSR) strategy shall be well formulated, articulated aligned with business. It must also have the unstinting support of the key stakeholders to become a long-term sustainability agenda.

**II. OBJECTIVE:**

The objective of this policy is to strategically draw the guiding principles for selection, implementation and monitoring of CSR activities as well as formulation of the annual action plan by the Board of the Company, after taking into account the recommendations of its CSR Committee.

Further, the policy will define the contribution which the Company can make towards its Corporate Social Responsibility, geographical limits within which it envisages to make such contribution, the chosen activities, programs or projects for its CSR activities and the control and reporting mechanism which will ensure proper functioning of such CSR activities to the optimum results.

### **III. APPLICABILITY / SCOPE / FRAMEWORK OF THE POICY:**

The said policy can be read in alignment with the requirements of Section 135 of the Companies Act, 2013 ('the Act') and the corresponding rules made there under, as amended from time to time ('CSR Rules'), Schedule VII of the Act and the Company's philosophy and CSR values.

### **IV. CONDITIONS AND RESTRICTIONS FOR CSR ACTIVITIES**

The CSR Committee and the Board of Directors shall be governed by the following conditions and restrictions while undertaking any CSR projects/programmes/activities:

- The CSR projects/programmes/activities undertaken by the Company, as per this policy shall exclude activities undertaken in pursuance of its normal business.
- The CSR projects/programmes/activities shall be undertaken in India only except for training of Indian sports personnel outside India who is representing any State or Union Territory at national level or India at international level.
- The CSR projects/programmes/activities that benefit only the employees of the Company and their families, shall not be considered and not qualify as CSR expenditure.
- Contribution of any amount directly or indirectly to any political party under Section 182, shall not be considered and not qualify as CSR expenditure.
- The surplus, if any, arising out of the CSR projects/programmes/activities shall not form part of the business profit of the Company.
- Activities supported by the Company on sponsorship basis for deriving marketing benefits for its products or services shall not form part of CSR expenditure.
- Activities carried out for fulfilment of any other statutory obligations under any law in force in India shall not form part of CSR expenditure.

### **V. CORPORATE SOCIAL RESPONSIBILITY (CSR) PRINCIPLES FOR FUNDING, SELECTION, IMPLEMENTATION AND MONITORING OF ACTIVITIES:**

The Company's CSR Policy is supported by the following principles:

**A. FUNDING OBLIGATION:**

In accordance with Section 135(5) of the Companies Act, 2013 (the Act), Company is committed to spend 2% of its average net profits made during the three immediately preceding financial years in some of the identified activities that are listed in Schedule VII (as amended) to the Act. This will include the spends through activities undertaken by implementing agency aimed at economic, social and environmental development that positively impacts the society at large with minimal resource footprint and further community development initiatives. If the Company spends any amount over and above such 2% of average net profits, the same is to be considered as excess CSR expenditure which can be set-off in the immediate succeeding three financial years subject to the conditions as prescribed under the Act.

In order to compute whether the Company has under spent or over spent, it shall consider the following:

- a. **Project Cost** - it shall include designing, implementation, monitoring and evaluation cost incurred directly or indirectly on the project
- b. **Administrative Overheads** - to ensure that such expenses shall not exceed 5% of the total CSR expenditure of the company for the financial year. Further, these expenses would not include expenses incurred by the Company towards designing, implementation, monitoring and evaluation

**B. SELECTION:**

The guiding principles for Selection of activities are:

- a. **Eligibility** - Statutory eligibility of implementing agency through which the CSR activities are selected, i.e. to ensure whether those implementing agencies have registered under section 12A and 80G of the Income Tax Act, 1961, have an established track record of at least three years in undertaking similar activities and have also filed form CSR-1 with the Registrar of Companies.
- b. **Sustainability** - Implementing agency has a track record of 3 years in undertaking similar programs or projects. We believe growth and environmental sustainability need not be conflicting. Our business model is designed to deliver sustainable growth. The inputs to the model are our brands, our people and our operations. The outputs to the model are sustained growth, lower environmental impact and positive social impact.

- c. **Goodwill** – Implementing agency shall have a goodwill in performing its activities diligently.
- d. **Law of land** – Implementing agency shall have a good stand in terms of Law of Land.

**C. IMPLEMENTATION & MONITORING:**

**i. Implementation:**

The Company may undertake, through a registered trust or a registered society, the CSR projects/programmes/activities in identified areas and as per the provisions of the Act and Rules, framed thereunder.

The Company may also collaborate with other companies for undertaking projects/programmes/activities in such a manner that the CSR Committees of respective companies are in a position to report separately on such projects or programs in accordance with the Act and Rules made thereunder.

The Company may build CSR capacities of its own, i.e. of their own personnel, as well as those of their implementing agencies through institutions with a track record of at least three financial years, and any other criterions which the CSR committee, may deem fit.

Accordingly, such other entity will work closely with and support the Board and the CSR Committee in implementing CSR activities of the Company. Such other entity will assist the CSR Committee in identifying the areas of CSR activities, programs and execution of initiatives as per defined guidelines. Such other entity will also assist the Board and the CSR Committee in reporting the progress of deployed initiatives and in making appropriate disclosures (internal/external) on a periodic basis.

**ii. Monitoring:**

**Impact Assessment** – In the event of average CSR obligation of Rs. 10 crores or more in the three immediately preceding financial years, the Company shall ensure that impact assessment through an independent agency is carried out for CSR projects having an outlay of Rs. 01 crore or more. Expenditure incurred for such assessment shall not exceed 5% of the total CSR expenditure for the financial year or 50 lakh rupees, whichever is less.

Monitoring will be done with the help of identified key qualitative and quantitative performance indicators, with a continuous feedback mechanism, and recourse for mid-course correction in implementation, if needed, to ensure efficacy.

Assessment of utilisation of funds will also be done on a quarterly basis, along with

submission of an annual consolidated utilisation which will be part of the Company's Annual Report. This will include a rationale for shortfall or surplus of funds.

All expenditure towards the programs to be diligently documented. In case 2% of average net profit of the last 3 years is not spent in a financial year, reasons for the same to be specified in the CSR report.

The surplus from the allocated CSR budget will not be utilized for business or form part of business profits.

All activities will be undertaken in project mode with defined objectives and deliverables, clarity on target beneficiaries, implementation plans with schedule of timeline agreed prior to commencement of activities.

### **iii. Guiding Principles for Implementation and Monitoring:**

- a. Accountability and Transparency** - Implementing agency shall be accountable for all expenses along with the acknowledgements. Further, there should be transparency in the actions to protect the interest of all the stakeholders.
- b. Ethical Behaviour** - Management and Implementing agency shall maintain ethical behaviour while implementing and monitoring CSR programs without any corruption.
- c. No conflict of interest** - There shall not be any conflict of interest in the objectives of employees involved in CSR activities and the implementing agencies. Both of them should work for benefits of the needy.
- d. Respect for stakeholder's interest** - While identifying CSR programs, interest of all the stakeholders shall be taken into consideration. We are committed to conducting our operations with integrity and respect, in the interest of our stakeholders, and in line with our Code of Business Principles.
- e. Collaboration** - We collaborate and engage with different stakeholders including Governments, NGOs, IGOs, Suppliers, Farmers, and Distributors to tackle the challenges faced by the society.

## **VI. GUIDING PRINCIPLES FOR ANNUAL ACTION PLAN:**

The Company shall prepare an Annual Action plan of the Company to identify the activities and the CSR expenditure to be spent during the year which shall include the

details as mentioned in the rules.

Further, the guiding principles required to formulate the Annual Action Plan are as follows:

- CSR programs shall not include activities as restricted under the amended CSR Rules.
- The preference for CSR programs is to be given by Company to local areas and areas around its operations.
- The CSR activities may be carried out directly or through implementing agency/ies.
- Payments to implementing agencies or to vendors should be milestone based.
- All the guiding principles as required to be followed for implementing and monitoring the CSR Activities shall also be followed while formulating the Annual Action Plan.
- Action plan shall be Simple, Action oriented, Measurable, Relevant and Time Bound.

During any financial year, the Annual Action Plan of the Company may be modified to include any unbudgeted expenditure, either on account of new project(s) or due to increase in the outlay for approved project(s).

Subject to the provisions of the Act, the Company may also utilize its CSR spend towards creation or acquisition of a capital asset.

## VII. GOVERNANCE MECHANISM:

We follow structured governance procedures to monitor CSR activities. Our CSR Policy is governed by the Board of Directors of the Company. The Board has constituted a CSR Committee to monitor the Policy and the programmes from time to time.

### a. **Board of Directors**

- The Board monitors and reviews the performance and impact of the CSR programmes, provides input and course corrections if required and satisfies itself that the CSR funds so disbursed are aligned to the CSR Policy of the Company and have been utilized for the purposes and in the manner as approved by it.
- The person authorised shall certify to the fact that CSR funds so disbursed have been utilised for the purposes and in the manner approved by the Board.

## **b. CSR Committee of the Board of Directors**

The CSR Committee provides oversight and guidance on CSR performance and monitors compliance with the CSR Policy, commitments and the applicable CSR provisions.

The role & responsibilities of CSR Committee are:

- Formulation and recommendation to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company as per the Act;
- Monitoring the CSR policy of the Company from time to time;
- Formulation and recommendation to the Board an annual action plan as per the provisions of the Act;
- Recommendation of any alteration in the annual action plan at any time during the year and update, if any, required to the CSR Policy;
- Implementation and Monitoring of the CSR activities as per the annual action plan;
- Identify projects of the Company as 'Ongoing Projects' as per the provisions of the Act and recommend the same to the Board;
- Recommend the annual CSR expenditure budget to the Board for approval;
- Undertake Impact assessment through third parties for CSR projects whenever applicable;
- Ensure implementation of CSR activities of the Company within the applicable framework;
- Determine the overall scope of, provide input on, and recommend adoption of the CSR report to the Board of Directors of the Company;
- Performance of such other functions as may be necessary under any statutory or other regulatory requirements to be performed by the Committee and as delegated by the Board from time to time.

The Company's CSR initiatives shall focus on the sectors/areas/activities as disclosed in **Annexure-A**.

The Policy issued pursuant to the Corporate Social Responsibility Policy Rules, 2013 as amended has been recommended by the CSR Committee of the Board and adopted by the

Board of Directors on its Meeting held on 25<sup>th</sup> May, 2021.

#### **VIII. LIMITATION AND AMENDMENT**

The Board of Directors may in their discretion and on recommendation of the CSR committee, make any changes/modifications and/or amendments to this Policy from time to time.

Requirements with respect to quorum, notice of meeting, documentation, etc. shall be in conformity with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India and approved by the Central Government, unless expressly stated otherwise.

In the event of any conflict between the provisions of this Policy and of the Act or any other statutory enactments, rules, the provisions of such Act or statutory enactments, rules shall prevail over and automatically be applicable to this Policy and the relevant provisions of the Policy would be amended/modified in due course to make it consistent with the law.

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## ANNEXURE-A

- i. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.
- ii. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
- iii. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.
- iv. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga.
- v. Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional art and handicrafts.
- vi. Measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widow.
- vii. Training to promote rural sports, nationally recognized sports, paralympic sports and olympic sports.
- viii. Contribution to the prime minister's national relief fund 8[or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund)] or any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women.
- ix. (a) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and  
  
(b) Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE);

Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organization (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).

x. Rural development projects.

xi. Slum area development.

**Explanation-** For the purposes of this item, the term 'slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.

xii. Disaster management, including relief, rehabilitation and reconstruction activities.