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**TIPS FILMS LIMITED**

## **CORPORATE SOCIAL RESPONSIBILITY POLICY**

### **INTRODUCTION:**

The Ministry of Corporate Affairs introduced the new concept of Corporate Social Responsibility ("CSR") in the Companies Act, 2013 ("Act") with a view to bring back the true meaning of the vedic philosophy of "SARVA LOKA HITAM" i.e. "the well-being of all stakeholders", Thus it has regained importance in the current business environment. The concept has evolved over the years and now used as strategy and a business opportunity to earn stakeholder goodwill.

The need for Corporate Social Responsibility has gained prominence from all avenues. The corporate must understand that the Government cannot alone uplift the society as a whole and thus corporate must extend their hands for this noble cause.

Tips Films Limited understands its moral, social and business responsibility to protect, preserve & nurture human values and also to promote socio-economic welfare. Tips Films Limited believes in sharing the profits not only with its members but also with the society around it. The Company through its CSR initiatives will continue to enhance value and promote social sustainability, sustainable development of the environment and social welfare of the people and society at large, more specifically for the deprived and underprivileged persons.

### **DEFINITION AND INTERPRETATION:**

- "Act" means the Companies Act, 2013
- "Rules" means the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time.
- "net profit" means the net profit of a company as per its financial statement prepared in accordance with the applicable provisions of the Act, but shall not include the following, namely:- (i) any profit arising from any overseas branch or branches of the company, whether operated as a separate company or otherwise; and (ii) any dividend received from other companies in India, which are covered under and complying with the provisions of section 135 of the Act.
- "Ongoing Project" means a multi-year project undertaken by a Company in fulfilment of its CSR obligation having timelines not exceeding three years excluding the financial year in which it was

commenced, and shall include such project that was initially not approved as a multi-year project but whose duration has been extended beyond one year by the board based on reasonable justification.

**OBJECTIVE:**

The main objective of this policy is active involvement in the social and economic development of the society, in which we operate, share profits with the society through responsible business practices as well as good governance and bring positive changes to the lives of mankind.

**SCOPE:**

The Policy has been formulated and approved by the Board of Directors of the Company in compliance of Section 135 of the Companies Act, 2013 (“Act”) read with rules made thereunder. The Policy shall apply to all CSR activities undertaken by the Company in India as per Schedule VII of the Companies Act, 2013 (the Act).

**CSR COMMITTEE:**

The CSR committee shall comprise of such number of members as prescribed under the provisions of the Act read with the rules made thereunder (including any statutory modification(s) and/or re – enactment(s) for the time being in force).

The Board has power to Constitute/ re-constitute the committee from time to time in order to make it consistent with the Company’s policy and applicable statutory requirement.

*However, where the amount to be spent by the Company for CSR activities does not exceed Fifty Lakhs rupees, the requirement for constitution of the CSR Committee shall not be applicable and the functions of such committee be discharged by the Board of Directors of the Company.*

**ROLE OF CSR COMMITTEE:**

The CSR committee shall work in co-ordination and in accordance with directions given by the Board of Directors.

- Formulate, review and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;
- Provide strategy and direction to enrich the CSR policy;
- Recommend the amount of expenditure to be incurred on the CSR activities as referred in Schedule VII;
- Monitor the CSR Policy of the Company from time to time;
- Prepare an annual report of the CSR activities undertaken and submit such report to the Board.

- Any other matter as may be considered expedient in furtherance of and to comply with the CSR Policy of the Company.

**ROLE OF BOARD:**

- All the CSR activities recommended by the CSR Committee and approved by the Board shall be in compliance with Schedule VII of the Act;
- Ensure the CSR spending every financial year of at least 2% of average net profits made during the three immediately preceding financial years, in pursuance with the Policy;
- Ensure that the activities as are included in CSR Policy of the company are undertaken by the company; and that such activities are related to the activities specified in Schedule VII of the Companies Act;
- In case of ongoing project, Monitor the implementation of the project with reference to the approved timelines and year-wise allocation and make modifications, if any, for the smooth implementation of the project.
- Review and approve the Annual Action Plan in pursuance of the CSR Policy.
- The Board shall ensure that the CSR Activities are undertaken by the company itself or through –
  - 1) A company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80 G of the Income Tax Act, 1961 (43 of 1961), established by the company, either singly or along with any other company, or
  - 2) A company established under section 8 of the Act or a registered trust or a registered society, established by the Central Government or State Government; or
  - 3) Any entity established under an Act of Parliament or a State legislature; or
  - 4) A company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.

**CSR BUDGET AND EXPENDITURE:**

The Board shall ensure that at least 2% of the average net profit of the company ("net profit" shall not include such sums as may be prescribed and shall be calculated in accordance with the provisions of Section 198 of the Act) made during the three immediately preceding financial years, as prescribed in Section 135 of the Companies Act, 2013, is utilized for its CSR activities in pursuance of its Corporate Social Responsibility Policy.

- CSR Expenditure shall not include expenditure on an item not in conformity or not in line with activities which fall within the purview of the CSR activities listed in Schedule VII.
- The administrative overheads shall not exceed 5% of total CSR expenditure of the company for the financial year.

- CSR expenditure in excess of the requirement (i.e. 2%), may be set-off against the requirement of the CSR spending u/s 135(5) of the Act upto the immediate succeeding three financial years subject to the conditions that:
  1. The excess amount available for set-off shall not include the surplus arising out of the CSR activities, if any, in pursuance of sub-rule 2 of Rule 7 of the CSR Rules;
  2. The Board of Directors shall pass a resolution to that effect.
- CSR Expenditure shall mean all expenditure incurred in respect of specific projects/programs relating to the approved CSR activities. If any amount unspent pertaining to an ongoing project, the unspent amount will be transferred within a period of thirty days from the end of the financial year to a special account to be opened by the company in that behalf for that financial year in any scheduled bank to be called “Unspent Corporate Social Responsibility Account” and such amount shall be spent by Company in pursuance of its obligation towards the Corporate Social Responsibility Policy within a period of three financial years from the date of such transfer, failing which, Company shall transfer the same to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year.
- Unless the unspent amount relates to any ongoing project (as mentioned in pt. (iii) above), transfer such unspent amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.
- The surplus arising out of the CSR activities or projects shall not form part of the business profit of Company.
- CSR Expenditure shall not include Projects or programs or activities undertaken outside India except for training of Indian sports personnel representing any State or Union Territory at National level or India at international level.

**DISCLOSURE:**

The composition of the CSR committee, if any, contents of the CSR policy, the projects as approved by the Board of the Company shall be displayed on the website of the Company.

**AMENDMENTS:**

The Board of Directors on its own and/or as per the recommendations of CSR Committee can amend this Policy, as and when required as deemed fit. Any or all provisions of the CSR Policy would be subject to revision/amendment in accordance with the regulations on the subject as may be issued from relevant statutory authorities, from time to time

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