

DELUXE ENTERTAINMENT DISTRIBUTION INDIA PRIVATE LIMITED

CORPORATE SOCIAL RESPONSIBILITY POLICY

2020-2021

Documentation validation note

Deluxe entertainment distribution India private limited (“the Company”), Company incorporated under Companies Act 2013 and having its registered office at Global Technology Park-Tower 'C', 4 Flr Marathahalli ORR, Devarabeesanahalli Bengaluru Bangalore KA 560103 has formulated and adopted this Corporate Social Responsibility policy in section 135 of the Companies Act 2013 and the Companies (Corporate social responsibility policy), Rules, 2014 (CSR Rules)

Section 135 of the Companies Act 2013, requires the company to constitute a Corporate Social Responsibility (CSR) committee of Directors, adopt a CSR policy, spend at least 2% of its average net profits made during the immediately preceding three financial years towards CSR activities as set out in schedule VII to the companies act 2013, and confirm compliance thereof in the Annual report.

Accordingly, on the recommendation of the CSR Committee, the policy was reviewed and approved by the board of Directors of the corporation at its meeting held on 25th August. 2021 and deemed to have come effect from 25th August 2021.

Titles	Particulars
Reviewing Authority	Corporate Social Responsibility (CSR) Committee of Directors
Approving Authority	Board of Directors of the Company
Documents Status	Approved by the Board on 25 th August
Effective date	25 th August 2021
Review Cycle	Quarterly or as recommended by CSR Committee

CONTENTS

<u>Table of Contents</u>		
<u>Sr.no</u>		<u>Contents</u>
1.		Introduction & Our Vision
	1.1	Objectives
	1.2	Definitions
	1.3	CSR mainstay
	1.4	CSR Activities
	1.5	Exclusion from CSR
	1.6	The Geographical reach
	1.7	Annual Spends/Allocation of Funds
2.		CSR Committee
	2.1	Guiding Principles for Constitution of CSR Committee
	2.2	Committee Members
	2.3	CSR Council Members
	2.4	CSR Meetings
3.		Procedure
	3.1	Planning & Implementation
	3.2	Projects / Partner
	3.3	Criterion for CSR Partner(s) and Agreement
	3.4	Review & Reporting
4.		Monitoring
5.		Amendments to the Policy
Annexures		
Annexure I		Partners and Philanthropic initiatives
Annexure II		Format for the Board of Directors report on CSR to form part of the Annual Report of the Company

DELUXE ENTERTAINMENT DISTRIBUTION INDIA PRIVATE LIMITED

CSR POLICY

1. Introduction

While Deluxe Entertainment Distribution India Private Limited continues to provide its distribution, it has not lost sight of its commitment to play its role as an enlightened corporate citizen.

Corporate Social Responsibility has always been on its agenda. Further pursuant to Section 135 of the Companies Act, 2013, and Companies (Corporate Social Responsibility Policy) Rules, 2014 every Company having net worth of Rs. 500 crore or more OR turnover of Rs. 1,000 crore or more OR net profit of Rs. 5 crore or more shall constitute Corporate Social Responsibility Committee ('CSR Committee') and the CSR Committee shall formulate and recommend Policy.

The CSR Committee so constituted formulated Corporate Social Responsibility (CSR) Policy and recommended the same to the Board of Directors of the Company ('Board') for its approval. The Board vide its resolution dated August 25th, 2021, approved, and adopted the CSR Policy with immediate effect.

Our Vision

As corporate social responsibility has always been on our agenda. Following are some of our visions:

1. To have an inclusive and empowered community, where people with disabilities, their families, and other disadvantaged groups, have equal access to education, health, and livelihood and in turn enjoy a good quality of life.
2. To have a holistic healthcare program focusing to reduce drop-out rate, absenteeism, and below average classroom performance of underprivileged Govt. school children by providing regular health check-up & educating them.
3. Company's detailed vision is outlined in point 1.4, CSR activities.

1.1.Objectives

The main objective of Deluxe Entertainment Distribution India Private Limited CSR policy is

- To lay down guidelines to make CSR a key business process for sustainable development of the society.

- To undertake projects/programs directly/indirectly, which will enhance the quality of life and economic well-being of the communities in and around our area of operations and society at large or support or contribute to such program.
- To generate goodwill and recognition among all stake holders of the company towards its corporate responsibility.

1.2. Definitions

In this Policy unless the context otherwise requires:

- a) 'Act' means Companies Act, 2013.
- b) 'Corporate Social Responsibility' means Corporate Social Responsibility (CSR) as defined in Section 135 of the Companies Act 2013 and Companies Corporate Social Responsibility Policy) Rules 2014.
- c) 'Ministry' means the Ministry of Corporate Affairs
- d) 'Net Profit' means net profit as defined in Section 135(5) and Section 198 of the Companies Act 2013 and Companies Corporate Social Responsibility Policy) Rules 2014 as set out below:

Net Profit as per financial statements prepared in accordance with the applicable provisions of the Act, but shall not include the following, namely:

- any profit arising from any overseas branch or branches of the Company, whether operated as a separate company or otherwise; and
- any dividend received from other companies in India, which are covered under and complying with the provisions of Section 135 of the Act
- e) Words and expressions used in this CSR Policy and not defined herein but defined in the Act shall have the meaning respectively assigned to them in the Act.

1.3. CSR mainstay

CSR activities at Deluxe Entertainment Distribution India Private Limited shall be carried out through:

1. Contribution / donation made to such other Organization / Institutions as may be permitted under the applicable laws from time to time.
2. Directly by the Company for fulfilling its responsibilities towards various stakeholders by directly undertaking projects/programs in CSR activities.
3. Collaboration with other Companies undertaking projects/programs in CSR activities.

1.4. CSR Activities

The Policy recognizes that corporate social responsibility is not merely compliance; it is a Commitment to support initiatives that measurably improve the lives of underprivileged by one or more of the following focus areas as notified under schedule (Vii) of Section 135 of the Companies Act 2013 and Companies (Corporate Social Responsibility Policy) Rules 2014:

- i. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach 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 & employment enhancing vocation skills especially among children, women, elderly & the differently abled & livelihood enhancement projects.
- iii. Promoting gender equality, empowering women, setting up homes & hostels for women & orphans, setting up old age homes, day care center's & such other facilities for senior citizens & measures for reducing inequalities faced by socially & 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 2including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga.
- v. Protection of national heritage, art & culture including restoration of buildings & sites of historical importance & works of art; setting up public libraries; Promotion & development of traditional arts & handicrafts.
- vi. Measures for the benefit of armed forces veterans, war widows & their dependents.
- vii. Training to promote rural sports, nationally recognized sports, Paralympic sports & Olympic sports.
- viii. Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development & relief & welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities & women.
- ix. Contributions or funds provided to technology incubators located within academic institutions, which are approved by the Central Government, or such other projects as may be recognized by the Government of India in this regard.
- x. Rural development projects
- xi. slum area development.
- xii. disaster management, including relief, rehabilitation, and reconstruction activities

The scope of the CSR activities of the Company will cover the above areas but not limited to the same and may extend to other specific projects/ programs as permitted under the law from time to time.

1.5.Exclusion from CSR

The following activity shall not form part of the CSR activities of the Company: -

- a) The activities undertaken in pursuance of normal course of business of a company.
- b) CSR projects/programs or activities that benefit only the employees of the Company and their families.
- c) Any contribution directly/indirectly to political party or any funds directed towards political parties or political causes.
- d) Any CSR projects/programs or activities undertaken outside India.

1.6.The Geographical reach

The Act provides that the Company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for Corporate Social Responsibility.

The Company will thus give preference to conducting CSR activities mainly in the state of Karnataka and such other state(s) in India wherein the Company may have its operations in future. However, the

Committee may identify such areas other than stated above, as it may deem fit, and recommend it to the Board for undertaking CSR activities.

1.7. Annual Spends/Allocation of Funds

- a) The Company would spend not less than 2% of the average Net Profits of the Company made during the three immediately preceding financial years calculated as per the provisions of the Companies Act, 2013 and Rules therein. The surplus arising out of the CSR activity will not be part of business profits of the Company. The Corpus would thus include the 2% of average net profits, as aforesaid, any income arising there from and surplus arising out of CSR activities.
- b) As per section 135(5) & section 198 of Companies Act 2013, Any amount spent over 5% of the average net profit of the Company will be done with the prior approval in General meeting of the Company.
- c) The allocation of the fund may be varying from year to year & is up to the discretion of the CSR committee, towards different CSR activities as enumerated above.
- d) The Company may build CSR capacities of its personnel and/or those of its implementing agencies through Institutions with established track records of at least three financial years “including expenditure on administrative overheads”, but such expenditure shall not exceed five percent of total CSR expenditure of the Company in one financial year.
- e) However, if the Company ceases to be covered under sub-section (1) of Section 135 of the Act for three financial years, then it shall not be required to comply with the provisions laid down under sub-section (2) to (5) of the said section, till such time it meets the criteria specified in sub-section (1) of the Act

2. CSR Committee

2.1. Guiding Principles for Constitution of CSR Committee

CSR Committee shall be formed as per the applicable laws and shall consist of the Directors of the company. The committee shall be responsible for the implementation/monitoring and review of this policy and various projects/activities undertaken under the policy. The CSR Committee shall submit periodical reports to the board of directors.

2.2. Core Committee Members

The Chairperson and Members of the Core Committee are as follows:

Sr. No	Names	Chairperson / Member
1.	Mr. Rajneesh Tandon	Core Committee Member & Chairperson
2.	Swapna Vasant Nadkarni	Core Committee Member

Email id – CSRCommittee@bydeluxe.com

2.3. Other Members of CSR Committee

- a) Deluxe Entertainment Distribution India Private Limited CSR Committee is the extended framework, as on the date of approval of this Policy or its amendments by the Board of Directors of the Company, which champions the philanthropic initiatives of the Company. The said Committee consists of senior official(s) and / or employee(s) who are employees of Deluxe Entertainment Distribution India Private Limited. They shall assist the CSR Committee in achieving the objectives and purpose of CSR Policy and ensure compliance of the Act.
- b) The CSR core Committee members of Deluxe Entertainment Distribution India Private Limited may at any time form CSR club or a separate committee with other members which may consist of senior official(s) and / or employee(s) of Deluxe Entertainment Distribution India Private Limited for implementing / achieving the objectives and purpose of CSR Policy. Such club or committee may be formed with the approval of the core committee members in CSR Committee meeting and a post facto intimation is given to the Board of Directors of Deluxe Entertainment Distribution India Private Limited.
- c) The Chairperson of the CSR core Committee of Deluxe Entertainment Distribution India Private Limited shall place periodic report(s) about CSR activities undertaken and status thereof, before the Committee at such intervals as may be directed by the Committee. The Members of Committee will work as per the directions of the CSR Committee of Board.

2.4. CSR Meetings

The Committee will meet at least once in every quarter to discuss and review CSR activities and Policy. A quorum of two members is required to be present for the proceedings to take place. Such other meetings of the Committee can be convened as and when deemed appropriate. The Committee members may attend the meeting physically or via such audio-visual means as permitted under the Act. The Committee shall have the authority to call such senior official(s) and / or employee(s), as it deems fit.

3. Procedure

3.1. Planning & Implementation

A list of CSR projects/Programmes which the Company plans to undertake during the implementation year will be laid down before the Committee during each year, specifying modalities of execution in the areas/sectors chosen and implementation schedules for the same.

Project /programs covered under CSR activities may be implemented by

- a) Any other institutes, NGOs (herein collectively referred as "CSR Partner"), Government, Semi-government, autonomous bodies, trusts etc. However, any such projects/ program to be undertaken through these entities shall have an established track record of 3 years of undertaking such projects/programs.

- b) In collaboration with other Companies undertaking projects/programs in CSR activities.
(The CSR committees of respective companies should be in a position to evaluate and report the progress of such projects/programs)

The time period/duration of each project/programs shall depend on its nature, extend of coverage and intended impact of such activity.

3.2. Projects / Partner

CSR Committee in consultation of the Board of Directors of the Company will identify suitable projects for implementation in line with the objectives of the Company and requirements laid down under the Regulations. These projects would be executed either directly by the Company and/or through CSR Partner(s).

3.3. Criterion for CSR Partner(s) and Agreement

1. While identifying projects, CSR Committee will assess CSR Partner(s) organizations who would execute the projects at the grass root level. At a minimum they need to meet the following criteria:
 - a) The CSR Partner(s) has a permanent office/address in India.
 - b) The CSR Partner(s) is a Trusts, Societies, or Section 8 Company having an established track record of three years in undertaking similar CSR programs or projects in pursuance with the relevant regulations.
 - c) Possesses a valid income-tax Exemption Certificate
 - d) The antecedents of the CSR Partner are verifiable.
 - e) Have requisite framework to report progress/status of the projects on a quarterly basis on agreed parameters.
 - f) Maintain a required level of auditable records on the CSR initiatives conducted in conjunction with Deluxe Entertainment Distribution India Private Limited as agreed mutually.
2. Once the project/program is approved, Deluxe Entertainment Distribution India Private Limited and the CSR Partner will be required to enter into an agreement as per the standard MOU requirements.

The indicative partners and extant philanthropic initiatives form part of this Policy as Annexure I. The Committee is authorized to add to these partners and Programs thereunder for undertaking CSR activities hereunder.

3.4. Review & Reporting

The CSR Committee will review the philanthropic activities of the Company and will provide progress update to the Board of Directors every three months/such other intervals as deemed fit.

The Company will report, in the prescribed format as set out herein as Annexure II, the details of CSR initiatives and activities of the Company in the Directors' Report and on the website of the Company, as required under the Regulations. Such reporting will be done, pertaining to financial year(s) commencing on or after the 1st day of April 2020.

4. Monitoring

- a) Appropriate documentation and amendments of the CSR Policy, annual CSR activities, reports on execution by CSR Partner(s) and expenditures will be undertaken on a regular basis and same will be available to the Board of Directors of the Company.
- b) Initiatives undertaken on the CSR front will be reported in the Annual Report of the Company.
- c) The CSR Committee and persons / entities authorized by it, will conduct due diligence checks on the current projects/partners on a quarterly basis and report anomalies, if any, immediately.
- d) Based on analysis present on current projects, carry out roadmap planning for allocation of budget and selection of projects. The same will be done at least once in a financial year.
- e) Plan and publish an annual calendar of major events so as strive for maximum participation of stakeholders.

5. Amendments to the Policy

The Board of Directors on its own and/or as per the recommendations of CSR core 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.

Annexure I

Partners and Philanthropic initiatives

1. Goonj:

Goonj is focused on most basic needs and ignored issue of society, enhancing the Public Health Programs effectiveness, strengthening the Community Health Programs by reaching out to the socially and economically underprivileged sections of the society both in rural and urban India.

A comprehensive Project detail for the respective initiatives is:

Covid relief and rehabilitation measures-Goonj has started the **RAHATCOVID** campaign in which they are **providing** PPE kits to relative, patients, drivers of auto ambulance. They are also working in deeper pockets of the country to reach essentials with their teams and partner organisations, and activating their network to provide medical aid, food, essential items, mask.

2. RASHTROTTHANA PARISHAT

RASHTROTTHANA PARISHAT is a registered society established in Bangalore since 1965. Over the last few decades, RASHTROTTHANA PARISHAT has spread its arm to substantial parts of India to address the real needs of the people and strives for the inclusion of people with disabilities in all development activities.

RASHTROTTHANA PARISHAT has been a progressive force in making a change in the life of shelter less children. The children, mainly orphan and destitute children, attend nearby schools and are provided good and qualitative education along with a nutritious diet, clothing and accommodation, indoor and outdoor recreation and play facilities. They are provided with periodical health check-ups, medicines, books and uniforms every year. They have been brought to the mainstream through care, love, affection, and support.

A comprehensive Project detail for the respective initiatives –

COVID Care Centres- Rashtrorothana Parishat has set up four COVID Care Centres. These are facilities where COVID Patients with mild or no symptoms can be isolated and monitored to relieve the burden on the healthcare system as the city's daily COVID count has been riding to thousands. The facilities are being planned for 2 months at this instance. The organisation extended its support by providing home isolation kits for COVID-19 affected.

3. Prashanthi Balamandira Trust-

Prashanthi Balamandira Trust is a public charitable established in 1981 embedded firmly on the principles of Sri Sathya Sai Baba towards rendering selfless service to the needy with a unique blend of spiritual and intellectual education.

A comprehensive Project detail for the respective initiatives is-

Infrastructure development of Hospital for covid patients. - Prashanthi Balamandira is in the process of constructing a general hospital for Covid patients. The hospital will have 125 HDU & Oxygenated Beds and 25 ICU Beds. All the services will be provided free of cost to everyone. The hospital so dedicated to general hospital consisting departments of General Medicine, Paediatrics, ENT, Dental, Ophthalmology, Obstetrics & Gynaecology, Diabetes & Hypertension, Radiology and Emergency Services. The hospital will require all necessary equipment and furniture to provide quality services to people.

Version Control Table

Version	Date	Changes
V1	16-07-2021	First Draft
V2	18-08-2021	Changes in CSR Activities
V3	18-08-2021	Review by the Director Finance & Accounting
V4	19-08-2021	Minor changes in Vision
V5	19-08-2021	Final Draft
V6	31-01-2021	Change In CSR Committee Members