



**BREWING
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ENTERTAINMENT**

SOBO FILMS HOLDING LIMITED

**POLICY ON IDENTIFICATION OF GROUP COMPANIES, IDENTIFICATION
OF MATERIAL OUTSTANDING CREDITORS AND IDENTIFICATION OF
MATERIAL OUTSTANDING LITIGATIONS**

This Policy was approved by the Board of Directors at its meeting held on January 29, 2025, and was subsequently modified on March 21, 2025, and September 23, 2025.



SOBO FILMS HOLDING LIMITED

(Formerly Known as SOBO FILMS HOLDING PRIVATE LIMITED) CIN NO: U73100MH2012PLC225824

Reg. Office:- 713, 7th Floor, Crystal Paradise Mall, Dattaji Salvi Marg, Off Veera Desai Road, Andheri (W), Mumbai,

MH - 400 053, IN, Tel. No.: +91 22 40227111 / 40327113

POLICY ON IDENTIFICATION OF GROUP COMPANIES, IDENTIFICATION OF MATERIAL OUTSTANDING CREDITORS AND IDENTIFICATION OF MATERIAL OUTSTANDING LITIGATIONS

A. INTRODUCTION

This Policy has been formulated to define the materiality for identification of group companies, outstanding material litigation, and outstanding dues to material creditors in respect of SOBO Films Holding Limited and its Directors (the "Company"), pursuant to the disclosure requirements under Schedule VI of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as may be amended from time to time ("SEBI ICDR Regulations").

B. APPLICABILITY AND OBJECTIVE

This policy shall be called the 'Policy on Identification of Material Creditors, Group Companies and Material Litigations' ("Materiality Policy").

The Board of Directors of the Company ("Board") at their meeting held on January 29, 2025 approved this Policy and was subsequently modified on March 21, 2025, and September 23, 2025. This Materiality Policy shall be effective from the date of approval of this Materiality Policy by the Board.

The Company has adopted this Policy for identification and determination of: (i) material creditors; (ii) group companies and (iii) material litigations pursuant to the provisions of SEBI ICDR Regulations, details of which shall be disclosed in the issue documents.

In this Materiality Policy, the term "Issue Documents" shall mean the Draft Prospectus and the Prospectus to be filed by the Company in connection with the proposed initial public offering of its equity shares with the Securities and Exchange Board of India, Registrar of Companies, Mumbai ("RoC") and stock exchanges where the equity shares of the Company are proposed to be listed, as applicable.

All other capitalised terms not specifically defined in this Materiality Policy shall have the same meanings ascribed to such terms in the Issue Documents.

In this Materiality Policy, unless the context otherwise requires:

- (i) Words denoting the singular shall include the plural and vice versa;
- (ii) References to the words "include" or "including" shall be construed without limitation.

The Materiality Policy with respect to the identification of group companies, outstanding material litigation, and outstanding dues to material creditors shall be as follows:

a) Identification of Group Companies

Requirement:

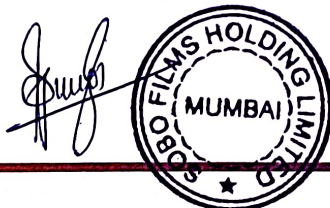
The policy with respect to the identification of the Group Companies of our Company shall be as follows:

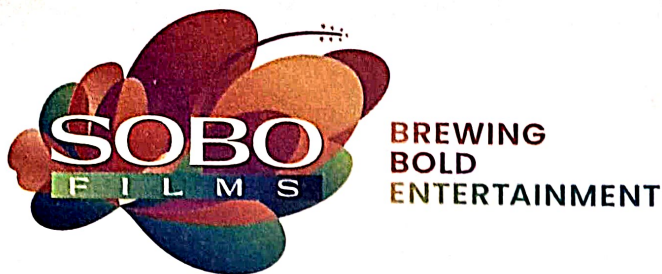
As per Regulation 2(1)(t) of the SEBI ICDR Regulations, Group Companies shall include "such companies (other than promoter(s) and subsidiary(ies)) with which there were related party

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transactions, during the period for which financial information is disclosed, as covered under the applicable accounting standards, and also other companies as considered material by the board of the issuer”.

Policy on Materiality:

For the purpose of identification of “Group Companies”, our Company has considered those companies as our Group Companies which is covered under the applicable accounting standard (AS-18) issued by the Institute of Chartered Accountants of India as per Restated Financial Statements and also other companies as considered material by the Board of the issuer pursuant to the Regulation. The materiality Policy framed by the Board covers such Companies as Our Group Companies which fulfils both (i) and (ii) conditions as mentioned below:-

- i. Such company that forms part of the Promoter Group of our Company in terms of Regulation 2(1)(pp)(iv) of the SEBI Regulations; and
- ii. Our Company has entered into one or more transactions with such company in preceding fiscal or audit period as the case may be exceeding ten percent (10%) of total revenue of the company as per Restated Financial Statements.

Those companies disclosed as having related party transactions in accordance with Accounting Standard (“AS 18”) issued by the Institute of Chartered Accountants of India, in the restated consolidated financial statements and restated standalone financial statements (“**Restated Financial Statements**”) of the Company for the financial years ended on March 31, 2025, 2024 and 2023.

Accordingly, as per the restated consolidated financial statements and restated standalone financial statements (“**Restated Financial Statements**”) of the Company, as disclosed in the Issue Documents, following entities are identified as Group Companies:

1. SOBO Films Private Limited
2. Rosetta Stone Consulting Services LLP

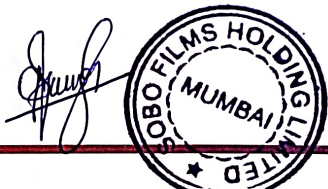
All such companies which the Board has deemed to be material to be considered as Group Companies / Associates Companies. There are No Material Group Companies/Associate Companies as on date this policy.

b) Identification of Material Litigation

Requirement:

As per the requirements of SEBI ICDR Regulations, the Company shall disclose all the litigation involving the Company, its material subsidiaries, Promoters, Directors of the Company related to:

- (i) All outstanding criminal proceedings;
- (ii) All outstanding actions by statutory and regulatory authorities;
- (iii) All outstanding claims related to direct and indirect taxes, in a consolidated manner giving details of number of cases and total amount; and
- (iv) Any other material pending litigations - as per policy of materiality defined by the Board and disclosed in the Issue Documents.



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Additionally, in terms of the SEBI ICDR Regulations, the Company is required to disclose any outstanding litigation involving the Group Companies, which may have a material impact on the Company. For the purposes of determining the outstanding litigation involving the Group Companies, which may have a material impact on the Company, the criteria specified under "Policy on materiality" herein below shall apply.

Policy on materiality:

- (i) For the purpose of point number (iv) above, any other pending litigation involving the Company, Subsidiaries, Promoters and its Directors and shall be considered "material" for the purpose of disclosure in the Issue Documents if it exceeds the lower of the below amounts:-
 - a. The monetary amount of claim by or against the entity or person in any such pending proceeding is in excess of 2% (two percent) of our Company's consolidated Net Worth as on 31 March 2025 (except in case the arithmetic value of the net worth is negative), as per the latest audited balance sheet, being Rs.28,81,192/- (Rupees Twenty-Eight Lakhs Eighty-One Thousand One Hundred and Ninety-Two Only);
 - b. The monetary amount of claim by or against the entity or person in any such pending proceeding is in excess of 2 % (two percent) of our Company's consolidated turnover as on 31 March 2025 as per the latest audited balance sheet, being Rs. 1,36,59,921 (Rupees One Crores Thirty-Six Lakhs Fifty-Nine Thousand Nine Hundred and Twenty-One Only); or
 - c. The monetary amount of claim by or against the entity or person in any such pending proceeding is in excess 5% (five percent) of the average of absolute value of profit or loss after tax, as per the last three audited consolidated financial statements of our Company, being Rs. 21,34,541 (Rupees Twenty One Lakhs Thirty-Four Thousand Five Hundred Forty-One only) .
- (ii) where the monetary impact is not quantifiable or the amount involved may not exceed the materiality threshold set out under (i) above, but where an adverse outcome in any litigation would materially and adversely affect our Company's business, prospects, operations, financial position or reputation, irrespective of the amount involved in such litigation.
- (iii) where the decision in one case is likely to affect the decision in similar cases, even though the amount involved in individual litigation does not exceed the amount determined as per clause (a) above, and the amount involved in all of such cases taken together exceeds the amount determined as per clause (i) above; and
- (iv) any such litigation which does not meet the criteria set out in (i) above and an adverse outcome in which would materially and adversely affect the operations or financial position of the Company.

c) Identification of Material Creditors

Requirement:

As per the requirements of SEBI ICDR Regulations, the Company shall make relevant disclosures in the Issue Documents for outstanding dues to creditors:

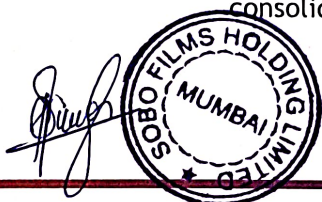
- (i) Based on the policy on materiality defined by the Board of Directors of the Company and as disclosed in the Issue Document, disclosure for such creditors which include the consolidated number of creditors and the aggregate amount involved;

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- (ii) Consolidated information on outstanding dues to micro, small and medium enterprises and other creditors, separately giving details of number of cases and amount involved; and
- (iii) Complete details about outstanding over dues to material creditors along with the name and amount involved for each such material creditor shall be disclosed on the website of the Company with a web link thereto in the Issue Documents.

Policy on materiality:

For identification of material creditors, in terms of point (i) above, a creditor of the Company shall be considered to be material for the purpose of disclosure in the Issue Documents, if amounts due to such creditors exceed 10 % of the total consolidated trade payables of the Company as per the latest restated financial statements of the Company, as disclosed in the Issue Documents.

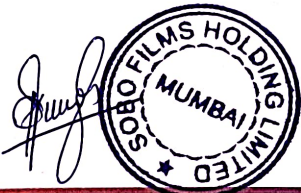
Disclosures in the Issue Documents regarding material creditors

- (i) For creditors identified as 'material' based on the abovementioned Policy, information on outstanding dues to such material creditors shall be disclosed in the Issue Documents along with the details of the material creditors, which include the consolidated number of creditors and amount involved on an aggregate basis, as of the date of the latest restated financial statements included in the Issue Documents.
- (ii) For outstanding dues to micro, small and medium enterprises ("MSMEs"), the disclosure will be based on information available with the Company regarding the status of the creditors as MSMEs as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006, as amended, as has been relied upon by the statutory auditors in preparing their audit report. Information for such identified MSMEs creditors shall be provided in the Issue Documents in the following manner:
 - aggregate amounts due to such MSME creditors; and
 - aggregate number of such MSME creditors. as of the date of the latest restated financial statements included in the Issue Document.
- (iii) Complete details about outstanding over dues to the material creditors along with the name and amount involved for each such material creditor shall be disclosed on the website of our Company with a web link in the Issue Documents.

For the purposes of identification of material creditors, in terms of point (i) above, a creditor of the Company, shall be considered to be material for the purpose of disclosure in the Issue Documents and the website of the Company, if amounts due to such creditor is equal to or in excess of 10% of the consolidated trade payables of the Company as at the end of the latest period included in the Restated Consolidated Financial Information.

C. AMENDMENT

The Board of Directors shall have the power to amend any of the provisions of this Materiality Policy, substitute any of the provisions with a new provision or replace this Materiality Policy entirely with a new Policy. This Materiality Policy shall be subject to review/changes as may be deemed necessary and in accordance with regulatory amendments from time to time.



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