



Paramotor Digital Technology Limited

CORPORATE SOCIAL RESPONSIBILITY POLICY

The policy is adopted by the Board of Directors in their meeting held on July 14, 2025

Corporate Social Responsibility (“**CSR**”) is the commitment of companies to provide resources and support activities focused on enhancing economic and social development. The activities taken up as a part of CSR reflect the intent of companies to create a positive impact on society without seeking any commensurate monetary benefits.

CSR has been a long-standing commitment at Paramotor Digital Technology Limited (“**Company**”) and forms an integral part of our activities. Being a responsible corporate citizen, the Company is committed to performing its role towards the society at large. In alignment with its vision, the Company always works towards adding value to its stakeholders by going beyond business goals and contributing to the well-being of the community.

The Company’s objective is to pro-actively support meaningful socio-economic development. The Company aims to identify critical areas of development contributing to the well-being of the community and benefitting them over a period of time.

This Corporate Social Responsibility Policy (“**Policy**”) of the Company sets out the framework guiding the Company’s CSR activities. This Policy also sets out the rules that need to be adhered to while taking up and implementing CSR activities.

This Policy, the composition of the Corporate Social Responsibility Committee (“**CSR Committee**”) and projects approved by the board of directors (“**Board**”) shall be disclosed under a separate section on the website of the Company.

1. DEFINITIONS

“**Board**” shall mean board of directors of Paramotor Digital Technology Limited;

“**Companies Act**” shall mean the Companies Act, 2013 and shall include any modifications, amendments or re-enactment thereof;

“**Company**” shall mean Paramotor Digital Technology Limited, wherever it is referred to in this Policy;

“**Corporate Social Responsibility Committee**” or “**CSR Committee**” or “**Committee**” shall mean a Committee of the Board constituted under provisions of SEBI Listing Regulations and Companies Act read with rules thereto constituted for the purpose of undertaking CSR Projects (*defined below*) in accordance with applicable laws;

“**CSR Annual Plan**” shall mean the annual plan detailing the CSR Projects and expenditure towards the respective projects during any financial year;

“**CSR Projects**” or “**Projects**” shall mean Corporate Social Responsibility projects/ activities/programs/ initiatives, instituted in India, either new or ongoing projects, and includes, but is not limited to those undertaken by the Board in pursuance of recommendations of the CSR Committee as per the declared



CSR Policy of the Company;

“**CSR Regulations**” shall mean Section 135 of the Companies Act, read with Schedule VII of the Companies Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014, each as amended from time to time and the notifications and circulars issued by the Ministry of Corporate Affairs from time to time and the rules framed thereunder;

“**Policy**” or “**CSR Policy**” shall mean the Policy on Corporate Social Responsibility of the Company framed under the Companies Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014 and shall include any amendments made thereto; and

“**SEBI Listing Regulations**” shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

2. SCOPE OF THE POLICY

This Policy pertains to all activities undertaken by Company towards fulfilling its CSR objectives. This Policy has been formulated to ensure compliance with the CSR Regulations. In the event of any inconsistency or discrepancy between this Policy and the CSR Regulations, the provisions of the CSR Regulations shall prevail.

3. GOVERNANCE STRUCTURE

The CSR Committee is the governing body that will define the scope of CSR activities for the Company and ensure compliance with the Policy. The CSR Committee shall comprise three or more directors including at least one independent director. The company secretary of the Company shall act as the secretary to the CSR Committee.

The CSR Committee shall:

- (i) Formulate and recommend the CSR Policy to the Board, including the CSR Annual Plan and the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act;
 - (ii) Review and recommend the amount of expenditure to be incurred on the CSR activities to be undertaken by the Company, and the CSR Annual Plan to the Board;
 - (iii) Monitor the CSR Policy from time to time; and
 - (iv) Discharge such other functions as the Board may deem fit to promote the CSR activities of the Company and exercise such other powers as may be conferred upon the CSR Committee in terms of the CSR Regulations.
- (b) The CSR Committee shall meet as and when required.
- (c) The Board shall:
- (i) After taking into account the recommendations made by the CSR Committee, approve the CSR Policy for the Company;



- (ii) Disclose the contents of the CSR Policy in its report and place it on the Company's website;
- (iii) Ensure that the activities as included in the CSR Policy are undertaken by the Company;
- (iv) Ensure that as and to the extent applicable, in each financial year the Company spends at least 2% of the average net profits of the Company made during the three immediately preceding financial years, calculated in accordance with Section 198 of the Companies Act, in pursuance of the CSR Policy;
- (v) Satisfy itself regarding the utilisation of the disbursed CSR funds; and
- (vi) Review the Policy and CSR activities from time to time.

4. COMPOSITION

For focused and effective governance, the Board of Directors shall constitute a CSR Committee (the Committee/CSR Committee) comprising of such number of directors of such composition in accordance with the requirement under the Act and the rules made thereunder and the Committee will be responsible for governance of CSR initiatives

5. OPERATING FRAMEWORK

5.1 CSR activities may be undertaken by the Company.

5.2 CSR activities will be undertaken in areas identified by the CSR Committee. A CSR Annual Plan shall be presented to the CSR Committee and, based on its recommendations to the Board for approval. The Company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for CSR activities.

5.3 [Activities undertaken by Company may be implemented directly by the Company as well as by not-for-profit entities, as specified in Clause 8 of this Policy. Such entities and projects shall be supported after ascertaining the credibility of the agency and its track record in implementing projects. The entity shall generally have a track record of three years in implementing such projects.

5.4 The responsibility for implementation of identified activities/ projects shall be as per the organisational structure approved by the Managing director and /or Whole time Directors of the Company.

5.5 The CSR Annual Plan shall incorporate the following:

- (a) The list of areas or subjects to be considered for CSR for the year, including CSR projects or programmes that are approved to be undertaken in the areas or subjects specified in Schedule VII of the Companies Act;



- (b) Key CSR activities proposed to be undertaken during the year, including analysis of their eligibility for classification as CSR under the Companies Act and related rules as amended from time to time, their conformity with the Policy and their implementation schedules;
- (c) The prescribed outlay on CSR as per the Companies Act and related rules as amended from time to time;
- (d) Proposed outlay on each activity including expenditure on administrative overheads both directly and indirectly including employee costs; The administrative overheads shall not exceed 5% of the total CSR expenditure of the Company for any financial year (or such other percentage as prescribed by the CSR Regulations from time to time.)
- (e) The manner of execution of the CSR projects or programmes to be undertaken by the Company;
- (f) The modalities of utilisation of funds and implementation schedules for the CSR projects and programmes;
- (g) The monitoring and reporting mechanism for the CSR projects and programmes;
- (h) The details of need and impact assessment, if any, for the CSR projects undertaken by the Company;
- (i) Activities to be undertaken by Company directly;
- (j) Activities to be undertaken by other entities and Company's contribution to such entities; and
- (k) Aggregate proposed outlay and reasons for shortfall, if any, compared to the prescribed outlay.

5.6 The Board may alter the CSR Annual Plan at any time during the financial year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect.

5.7 The authority to incur expenditures under the above plan shall be as per the approved delegation of financial powers in the Company.

5.8 Funds would be disbursed either in tranches or as one-time payment. The terms, conditions and timing of disbursement would be conditional upon the nature and requirement of the CSR project or programme.

6. DECISION MAKING BY THE CSR COMMITTEE

6.1 The CSR Committee shall at all time act in a manner that is consistent with the provisions contained in this Policy and the CSR Regulations.

6.2 The CSR Committee shall endeavour to arrive at all decisions via consensus of all members. However, on occurrence of any event where the CSR Committee is unable to arrive at a consensus, the decision of the Chairperson of the CSR Committee shall be final.



7. CSR SPENDING

- 7.1 The Company may, in every financial year, spend such amounts on its CSR activities as the CSR Committee may authorise from time to time subject to the limits as approved by the Board, provided that the Board shall ensure that the CSR expenditure is compliant with the CSR Regulations.
- 7.2 The Company shall undertake CSR spending in accordance with the CSR Regulations, as amended from time to time.
- 7.3 Separate bank accounts shall be maintained for each project undertaken by the Company.
- 7.4 The board shall ensure that the administrative overheads shall not exceed 5% of total CSR expenditure of the company for the financial year.
- 7.5 Any amount remaining unspent under any ongoing CSR projects, shall be transferred by the Company within a period of thirty days from the end of the financial year to an 'unspent CSR account', and such amount shall be spent by the company in pursuance of its obligation towards the CSR Policy within a period of three financial years from the date of such transfer, failing which, the company shall transfer the same to a fund specified in Schedule VII of the Companies Act, within a period of thirty days from the date of completion of the third financial year.
- 7.6 Any revenue, returns, and profits, arising from any of the CSR activities, projects or programmes shall not form part of the business profit of the Company and shall be invested into the same project or shall be transferred to the 'unspent CSR account' and spent in pursuance of the CSR Policy and the CSR Annual Plan or transferred to a fund specified in Schedule VII of the Companies Act, within a period of six months of the expiry of the financial year.
- 7.7 If the Company's expenditure in respect of its CSR activities is in excess of the minimum spending requirement provided under the Companies Act, such excess amount may be set off against the minimum spending requirement of the Company for up to the immediate succeeding three financial years subject to the conditions that - (a) the excess amount available for set off shall not include the surplus arising out of the CSR activities, if any, and (b) the Board shall pass a resolution to that effect.
- 7.8 The Company shall undertake CSR spending in accordance with the CSR Regulations, as amended from time to time.

8. CSR IMPLEMENTATION

- 8.1 The Board shall ensure that the CSR activities are undertaken by the Company itself or through -
- (a) a company established under Section 8 of the Companies Act, or a registered public trust or a registered society, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of Section 10 or registered under Section 12A and approved under Section 80 G of the Income Tax Act, 1961, established by the Company, either singly or along with any other company; or
 - (b) a company established under Section 8 of the Companies Act or a registered trust or a registered society, established by the Central Government or State Government;



- (c) any entity established under an act of parliament or a state legislature; or
- (d) a company established under Section 8 of the Companies Act, or a registered public trust or a registered society, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of Section 10 or registered under Section 12A and approved under Section 80 G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.

Explanation.- For the purpose of clause (c), the term “entity” shall mean a statutory body constituted under an act of parliament or state legislature to undertake activities covered in Schedule VII of the Companies Act.

In the manner prescribed under the CSR Regulations, as amended from time to time.

- 8.2** The Company may engage international organisations for designing, monitoring and evaluation of the CSR projects or programmes as per its Policy as well as for capacity building of their own personnel for CSR.
- 8.3** The Company may also collaborate with other companies for undertaking projects or programmes or CSR activities in such a manner that the CSR committees of respective companies are in a position to report separately on such projects or programmes in accordance with the CSR Regulations.
- 8.4** The Board shall satisfy itself that the funds so disbursed have been utilised for the purposes and in the manner as approved by it and the chief financial officer of the Company or the person responsible for financial management shall certify to the effect.
- 8.5** In case of ongoing project, the Board shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period.

9. MONITORING

The CSR Committee shall ensure a transparent monitoring mechanism for CSR activities.

- (a) The progress of the CSR activities shall be reviewed at least twice a year, including the annual review by the CSR Committee.
- (b) The chief financial officer of the Company shall be responsible for monitoring expense on CSR activities with respect to the plan and submission of the same to the CSR Committee and the Board.
- (c) The Board shall review the progress of CSR activities at least annually.

10. DISCLOSURE

The Board’s report of the Company pertaining to any financial year shall include an annual report on CSR containing particulars specified in the CSR Regulations, as applicable to the Company.

The above information shall also be displayed on the Company’s website.



If the Company meets the threshold of an average CSR obligation of ten crore rupees or more in terms of the Companies Act, in the three immediately preceding financial years, it shall undertake impact assessment, through an independent agency, of the CSR projects having outlays of one crore rupees or more, and which have been completed not less than one year before undertaking the impact study.

The impact assessment reports shall be placed before the Board and shall be annexed to the annual report on CSR.

11. CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

The projects or programmes to be undertaken by Company as CSR in India will be considered and approved by the CSR Committee of Company. Any project or programmes that is exclusively for the benefit of Company's employees would not be considered as CSR.

Company's primary focus areas for CSR activities as specified in Schedule VII of the Act are:

- (a) Community healthcare, sanitation and hygiene,
- (b) Education and knowledge enhancement
- (c) Social care and concern
- (d) Rural development projects and other humanitarian projects

12. EFFECTIVE DATE

The Policy shall be effective from the date of approval of the Board Meeting held on 14th July, 2025

AMENDMENTS

Subject to applicable laws, the CSR Committee may amend, suspend or rescind this policy at any time.

Any issues pertaining to the Policy shall be resolved by the CSR Committee in line with the broad intent of the Policy. The CSR Committee may also establish further rules and procedures, from time to time, to give effect to the intent of this Policy.

In the event of any conflict between the provisions of this Policy and any applicable law, such applicable law in force, shall prevail over this Policy.