

## **EARKART LIMITED**

*(Formerly known as Earkart Private Limited)*

CIN: U74999DL2021PLC399313

Registered Office: Shop No. 8-P, Street No. 6,  
Vasundhara Enclave, East Delhi, Delhi-110096 India,

## **Corporate Social Responsibility (CSR) Policy**

## 1. Introduction

The objective of Corporate Social Responsibility (CSR) is to benefit the society by improving the quality of individuals, their families and local community at large.

Earkart Limited through its CSR activities intends to participate in the overall development of the society and encourage alignment with Social Development Goals (SDGs) related to skill enhancement, entrepreneurship development, research in education, Hygiene & Water and other activities as laid down in the Scheduled VII of the Companies Act, 2013.

This policy outlines the guiding principles, framework, and implementation mechanisms for undertaking socially responsible initiatives aimed at the welfare and sustainable development of the broader community. It has been formulated in alignment with the provisions of Section 135 of the Companies Act, 2013, and the applicable rules prescribed thereunder. The Company's CSR Policy comprehensively covers all internal dimensions of the CSR governance structure and clearly delineates the procedures for planning, executing, monitoring, and evaluating CSR activities.

## 2. CSR Policy

This policy is titled as the **"CSR Policy of Earkart Limited"**, which encompasses the Company's philosophy towards Corporate Social Responsibility in accordance with Section 135 of the Companies Act 2013 and the rules framed thereunder as amended. For the purpose of this Policy, the Act, the Rules and Schedule VII as amended from time to time, are hereinafter referred to as the ("CSR Legal Framework").

The Corporate Social Responsibility Policy ("CSR Policy") of the Company has been formulated and approved by the Board of Directors through resolution dated **29 August 2025**. This policy aims to contribute towards sustainable development of the society and environment to make planet a better place for future generations. The philosophy of CSR is imbibed in our business activities and social initiatives undertaken pursuant to the Schedule VII.

## 3. Effective Date:

This policy shall be effective from the date of approval by the Board.

## 4. Scope

This policy is applicable to corporate social responsibility initiatives of Earkart Limited (henceforth **'Earkart** or **'the Company'**).

### 4.1. CSR Vision

To generate a sustainable business model that balances the needs of all stakeholders with our commitment to improve access to Social Development Goals (SDGs) related to skill enhancement, entrepreneurship development, research in education, Hygiene & Water etc. for long term sustainable impact on target beneficiaries / communities.

CSR will remain a fundamental part of our company's practices, broad objective and overall culture.

#### 4.2. CSR Objectives

It is pertinent that business enterprises are economic organs of society and draw on societal resources, we at the company believe 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. We believe that 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. In line with this belief, the company will pursue the CSR initiatives such that its annual CSR plan attempts to achieve dual objectives of benefiting society and environment in the areas where company has its presence via projects and/or its headquarters or branch offices in line with CSR Legal Framework. The CSR initiatives shall, on best effort basis, focus on following objectives or activities as specified in **Annexure-1**.

The CSR initiatives in line with CSR Legal Framework shall, on best effort basis, focus on following dual objectives:

1. **Project & People Impact:** CSR activities/programs in the vicinity and localities near project sites.
2. **Corporate & Social Awareness:** CSR activities/programs which have positive impact on the society and create awareness about the Company's work in the area of sustainability and positive social impact.
3. **Business & Industry Impact:** CSR activities/programs in the Sustainable Energy, Sustainability and Carbon Abatement initiatives
4. **General CSR Impact:** Any other General purposes CSRs activities

#### 4.3. Definition

- a) **"Act"** shall mean the Companies Act 2013 and the rules made thereunder, including any modifications, amendments or re-enactment thereof.
- b) **"Board"** means board of directors of the Company.
- c) **"Company"** shall mean Earkart Limited and wherever the context requires, shall signify the Company acting through its Board.
- d) **"Corporate Social Responsibility"** or **"CSR"** means and includes but is not limited to projects or programs relating to activities specified in Schedule VII to the Act.
- e) **"CSR Annual Plan"** shall mean the annual plan detailing the CSR expenditure for the year.
- f) **"CSR Committee"** means the Corporate Social Responsibility Committee of the Board referred to in Section 135 of the Act.
- g) **"CSR Policy"** relates to the activities to be undertaken by the Company as specified in Schedule VII to the Act and the expenditure thereon.

- h) **“CSR Projects”** or **“Projects”** means Corporate Social Responsibility projects/activities/ programs/ initiatives instituted in India, either new or ongoing, and include, but is not limited to those undertaken by the Board.
- i) **“Financial Year”** shall mean the period beginning from 1st April of every year to 31st March of the succeeding year.
- j) **“Group Companies”** means holding, subsidiaries and associates of the Company.
- k) **“Net profit”** shall mean the net profit as per the Act and Rules based on which the specific percentage for CSR Expenditure has to be calculated.
- l) **“Rules”** shall mean the Companies (Corporate Social Responsibility) Rules 2014, including any re-enactment, modifications or amendments thereof.

Thus, Words and expressions used in this Policy and not defined specifically in this document shall have the meanings respectively assigned to them under the Companies Act, 2013 read along with The Companies (Corporate Social Responsibility Policy) Rules, 2014 and other CSR Legal Framework applicable under law time to time.

#### **4.4. Governance Structure**

The Company has put in place the following governance structure to ensure that CSR policy is implemented and monitored effectively. The roles and responsibilities are defined at each governance level.

##### **a) CSR Committee**

In accordance with the provisions of the Companies Act, 2013, if the amount required to be spent by the Company on Corporate Social Responsibility (CSR) activities in any financial year does not exceed INR 50,00,000/- (Indian Rupees Fifty Lakh), the functions of the CSR Committee shall be discharged by the Board of Directors of the Company. In such a case, it shall not be mandatory for the Company to constitute a separate CSR Committee, unless and until the specified threshold is exceeded.

##### **b) Board of Directors**

1. Draft the CSR policy and shall indicate the activities to be undertaken by the company.
2. Recommend the amount of expenditure to be incurred on the CSR activities.
3. Monitor the Corporate Social Responsibility Policy of the company from time to time.
4. Review and recommend any new CSR initiatives to be taken up by the company.
5. Review the progress of CSR projects already undertaken by the company and the utilization of budgets for each such projects.
6. Review and recommend the CSR report to be included in the board's report.
7. Review and recommend any amendments to be made in the CSR policy of the Company.
8. To carry such other functions as may be required relating to CSR activities of the company.
9. Ensure the CSR spending for every financial year of at least 2% of average net profits made during immediately preceding 3 financial years, in pursuance with this CSR Policy. If the Company fails to spend the aforesaid amount then the Board's Report prepared under section 134(3) of the Act, shall specify the reasons for not spending the amount and transfer the same as specified under this Policy and CSR Legal Framework;

10. Ensuring that every financial year funds committed by the Company for CSR activities are utilized effectively and thereby regularly monitored and reported on the Company website;
11. The Board may alter annual action plan at any time during the financial year, as per the recommendation of CSR Committee, based on reasonable justification to that effect;
12. Ensure that CSR Activities included in the CSR Policy are undertaken by the Company and such activities are related to the activities specified in CSR Legal Framework;
13. Ensure that the CSR Activities are undertaken either by the Company itself or through Implementing Agency, as permitted under the CSR Legal Framework;
14. In case of ongoing projects, monitoring the implementation of the project in line with the approved timelines and year wise allocations and shall be further authorized to make modifications thereto if required subject to the same being within the overall permissible time period;
15. Satisfy itself that the funds have been utilized for the purpose and in the manner, as approved by it and the Chief Financial Officer/person responsible for the financial management of the Company, to certify to the effect;
16. Ensure the administrative overheads shall not exceed the limits specified under the CSR Legal Framework, presently being 5% of total CSR Expenditure of the Company for each Financial Year;
17. Ensure any surplus arising out of the CSR Activities shall not form part of the business profit of the Company and shall be ploughed back into the same project or be transferred to the Unspent CSR Account and spent in pursuance of CSR Policy and Annual Action Plan of the Company or transfer such surplus amount to the Fund specified in Schedule VII within the stipulated period of time;
18. Ensure that surplus or unspent amount earmarked for CSR in any financial year is given effect as required under the CSR Legal Framework;
19. Approve the set off of the excess amount of CSR spent in a financial year, against CSR

#### **4.5. CSR Expenditure**

- i. In every financial year, the Company shall spend a minimum of 2% of its average Net Profits of the immediately preceding three (3) financial years, as computed in accordance with the provisions of the CSR Legal Framework or such sums as specified under the CSR Legal Framework, towards CSR Expenditure. The administrative overheads shall not exceed the limits specified under the CSR Legal Framework, presently being 5% of total CSR Expenditure of the Company for each Financial Year; and
- ii. If the Company is required to undertake impact assessment pursuant to CSR Legal framework, then such expenditure can be booked towards Corporate Social Responsibility for a given financial year, which shall not exceed five percent of the total CSR expenditure for a given financial year or fifty lakh rupees, whichever is less.

All the expenditure relating to CSR shall be pre-approved by the board of director or CSR committee as applicable. The Chief Financial Officer shall monitor the utilization of funds for the purposes set forth and certify to this effect.

#### **4.6. Treatment of Unspent/Excess Amounts In Respect of CSR Activities and Surplus arising out of CSR Activities**

The Company shall ensure that any unspent amount under its CSR obligation, excess spent amount towards CSR expenditure and/or surplus arising out of the CSR Activities shall be treated in accordance with the CSR Legal Framework and as may be approved by the Board, from time to time.

#### **4.7. Mode of Implementation**

- i. The Company shall undertake its CSR Activities directly itself or through Implementing Agencies and/in in such manner as may be prescribed under the CSR Legal Framework. Such Implementing Agency shall be either:
  - A company under Section 8 of the Act, registered public trust or registered society established by the Company either singly or along with other Company and has valid registration *under section 12A and 80G of the Income Tax Act, 1961*.
  - A Company established under Section 8 of the Act, registered trust or registered society, established by the Central or State Government.
  - Any entity established under an Act of Parliament or State Legislature.
  - A Company under Section 8 of the Act registered public trust or registered society with a valid registration *under section 12A and 80G of the Income Tax Act, 1961* with a *track record of atleast 3 years in undertaking similar activities*.

Provided that the aforesaid implementing agencies shall be considered eligible if it is in compliance with the provisions of the CSR Legal Framework.

- i. The Company may also collaborate with other companies to undertake CSR Activities in such a manner that each company is in a position to report separately on such CSR projects.
- ii. While partnering with Implementing Agency, the credentials of such entities will be verified, and all requisite information and documentation as listed in Annexure 2 would be obtained and necessary documentation would be completed.
- iii. CSR programmes/ projects to be undertaken by the Company will be identified by the CSR Committee or in case there is no such by board of director.
- iv. The CSR Committee, if any, shall recommend the CSR programmes/ projects, specifying modalities of its execution and the amount of expenditure to be incurred on the programmes/ projects.
- v. Board shall specifically approve such CSR projects/programs and the amount of expenditure.

The Company may engage international organisations for designing, monitoring and evaluation of the CSR projects or programmes as the CSR Committee and/or the Board may deem fit as well as for capacity building of the own personnel for CSR. The company can also partner with local governance bodies, such as Gram Panchayats, Civic Bodies, Municipality to directly undertake approved CSR projects with the help and support of these bodies.

#### **4.8. Key stakeholders/Target Audience of CSR activities**

The Company, through its CSR interventions will try to contribute positively towards the following:

- a. women and children.
- b. most underprivileged section of the society.
- c. persons impacted by a pandemic, epidemic, fire or natural calamity.

The Company will also engage its employees, wherever and whenever possible, to achieve its CSR vision.

#### **4.9. Support Focus**

Earkart's CSR intervention will focus on:

Addressing identified needs of the underprivileged through initiatives directed towards:

- improving livelihood
- alleviating poverty;
- women empowerment;
- empowerment through vocational skills; and
- promoting health and well being

Promoting education in order to achieve self-sustainable and equal development. The Company focuses on the following areas:

- Primary Education
- Child Education, especially the girl child
- Special Education
- Employment enhancing vocational skills and livelihood enhancement projects

Preserve, protect and promote art, culture and heritage by:

- Promoting India's art, culture and heritage; and
- Conducting promotional and developmental activities / programs.

Ensuring environmental sustainability, ecological balance and protection of flora and fauna by:

- Conducting activities which promote biodiversity; and
- Conducting activities which promote ecological sustainability

Enabling healthcare support for children who are unable to afford treatment, through financial intervention. To provide for children's health and rehabilitation through other sustenance initiatives.

Addressing identified needs of persons impacted by a pandemic, epidemic, fire or natural calamity, by

- promoting health care including preventive healthcare
- promoting nutrition and sanitation
- undertaking relief, rehabilitation and reconstruction activities

Any other activity falling within the scope of Schedule VII of the Companies Act, 2013 which would enable the Company to achieve its CSR objectives.

The CSR programs/activities of the Company, as above, are related / will relate to the activities included in Schedule VII of the Companies Act, 2013 along with the latest circulation from MCA.

Further, the activities/programs mentioned in Schedule VII is attached as Annexure-I to this policy.

#### **4.10. CSR Programs**

##### **a) Program development**

Every program must develop a proposal including information such as project description and duration, measurable objectives, information about the partner organization including proof of legal status, and amount of funding or other resources required.

##### **b) Program approval**

The program proposal/s must be submitted to the CSR Committee, if any, for their consideration and evaluation and thereafter to the Board of the Company for its approval. The program/s will be implemented after receiving approval from the CSR Committee/Board.

Any proposal for CSR activity/project from employees of the Company shall be first vetted by the CSR Taskforce, to confirm whether it meets the criteria of this Policy and any guidelines prescribed by the CSR Committee and/or Board, and all the conditions prescribed under the Companies Act, 2013 (including all rules, circulars, notifications issued thereunder).

#### **4.11. Budget, Funding and Allocation**

- The Company shall, in every financial year, contribute a statutory minimum limit of at least 2% of Average of its Net Profits for the three preceding financial years for the CSR Expenditure.
- In the absence of Net Profits in any financial year, the Company endeavors to spend such feasible amount as it may decide.
- The CSR Committee/Board shall prepare its Annual Action Plan, for a financial year, for the CSR activities including the core areas and manner of implementation and submit the same for approval of the Board.



- The Company shall endeavor to spend the entire amount of statutory minimum contribution limit in a financial year. In the event, the Company is unable to spend such amount in any given financial year; the Board shall specify the reasons for the same in its report to the shareholders in terms of Section 134(3) (o) of the Act.
- The Company shall carry forward the un-spent money in the current financial year to next year budget and shall spend the entire consolidated amount in that year.

The surplus arising out of the CSR activities, if any, shall not be considered as a part of the business profits of the Company.

The overall amount to be committed to CSR will be recommended by CSR Committee, in any and approved by the Board as part of the Company's overall Annual Action Plan, in the board meeting and all the CSR initiatives undertaken during the year will be ratified by the CSR Committee/Board.

#### **4.12. Modalities of implementation**

The CSR Taskforce will implement programs at the grass root level with the support of implementation partners, project management consultants and social enterprises, as may be required.

While availing services of consultants or any other organizations, the company will seek proposals from various consultants and organizations and will then make a final decision based on criteria which are critical to the success of that particular CSR program.

#### **4.13. Monitoring and Evaluation mechanism**

##### **a) Monitoring**

CSR activities and correlating spends will be closely monitored and funds shall be released as per the approved Annual Action Plan. This may include monthly field visits, comprehensive documentation, and regular interaction with beneficiary communities. Also, the CSR spends will be audited in an accountable and transparent manner.

The 3<sup>rd</sup> party providers/Implementing agency will be requested to provide proper and regular monitoring, as agreed between Company and them.

If Company has constituted, as per the requirement of Companies Act, CSR Committee shall meet at least once in every financial year in a duly convened meeting, to monitor the implementation of CSR Plans and activities and to deal with the relevant matters and two members personally present shall be sufficient to form the quorum of the meeting

The CSR Committee, if any or Board shall regularly monitor the annual action plan, CSR Activities and the CSR projects. Further, The CSR Projects taken up through Implementing Agency shall be monitored & evaluated at regular intervals.

The board shall ensure that the CSR Policy, as amended from time to time, is displayed on the company's website.

In compliance with the Act and to ensure funds spent on CSR programs are creating the desired impact on the ground a comprehensive Monitoring and Reporting framework will be put in place.

#### **b) Evaluation**

A robust MIS monitoring mechanism and evaluation plan will be put in place with expected outcomes, outputs and inputs will be clearly defined for each program as per stated timelines. There shall be clarity about the scope of the program and the need before evaluations are undertaken.

Third parties will be engaged to ensure objective assessment across baseline and end line parameters. Head of Communications, who manages CSR will be authorized to decide whether it will be internal, external or third party evaluation.

#### **4.14. Reporting and Communication**

Program monitoring mechanism will ensure:

- The CSR policy is implemented as per the Act and the Rules
- The CSR policy is implemented ensuring that all projects/programs as budgeted are duly carried out.

The CSR committee, if any, or board will prepare the annual CSR report, which will be approved by the the Board of Directors. The company will be communicating its CSR efforts to its employees and external stakeholders through internal communications, its own website and other appropriate dissemination channels.

#### **4.15. Amendments**

Based on the recommendation of the CSR Committee, if any, the Board of Company can modify this policy unilaterally at any time to maintain compliance with local laws.

## **ANNEXURE 1**

### **CSR activities Listed in Schedule VII of the Companies Act, 2013**

#### **(as on the date of adoption of the Policy)**

- 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 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 widows;
- vii. training to promote rural sports, nationally recognised sports, Paralympic sports and Olympic sports
- viii. contribution to the prime minister's national relief fund 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 Organisation (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 ('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; and
- xiii. such other activities as may be permitted under the Act, from time to time.

Further due to outbreak of the novel Corona Virus (COVID-19) pandemic, Ministry of Corporate Affairs vide its General Circular No. 10/2020 dated March 23, 2020 has clarified that various activities related to COVID-19 under item nos. (i) and (xii) as listed above of Schedule VII of the Act relating to promotion of health care, including preventive health care and sanitation, and, disaster management are eligible as CSR Activity.

## **ANNEXURE 2**

### **Indicative list of aspects to be considered while engaging with other entities**

Due diligence of the implementing agency should be conducted to check the credentials of the organization and to ensure that its projects / programmes / activities are consistent with the CSR Legal Framework, CSR Policy and other policies of the Company. The following documents / information from the interested Implementing Agencies would be sought, as applicable:

- Memorandum of Association and Articles of Association/ Constitutional Document
- Registration certificate under application law;
- Audited financial statements / Accounts for the last three year;
- Registration Certificate under Section 80G and 12A of the Income Tax Act, 1961
- Permanent Account Number (PAN) card issued under the Income Tax Act, 1961
- Details of Projects attended in last 3 Years;
- Details of the entity's organizational structure, capability, technical skills and manpower resource; and
- Such other documents / certificates / details as may be required to assess the eligibility of the Implementation Agency under the CSR Legal Framework or any other applicable law for the time being in force.
- Registration Certificate issued under Foreign Contribution Regulation Act, in case the implementing agency is in receipt of foreign contributions; and
- Registration Certificate issued by Registrar of Companies in the form of CSR-1.