

# CORPORATE SOCIAL RESPONSIBILITY POLICY

## 1) Preamble

Stalwart People Services India Limited is committed to contributing to society beyond its business operations by promoting sustainable development and community welfare. This policy outlines the company's approach to CSR, defining its relationships with stakeholders, communities, and the environment. CSR is not limited to charity or donations but is an integral part of the company's business ethics, aimed at creating shared value and a positive social impact. This Corporate Social Responsibility (CSR) Policy has been established in accordance with the CSR philosophy of Stalwart People Services India Limited and the provisions of Section 135 of the Companies Act, 2013, along with Schedule VII and the Companies (Corporate Social Responsibility Policy) Rules, 2014. This policy shall always be subject to the relevant provisions of applicable laws and any amendments thereto.

The Board of Directors have initially approved the CSR Policy in its meeting dated 13<sup>th</sup> June 2016. Further to change in committee of members, the Board have updated the policy on 26<sup>th</sup> March 2025 and on 2<sup>nd</sup> June 2026.

## 2) Policy Objective and Philosophy

This policy reflects dedication to improving the quality of life in communities where it operates. The company seeks to facilitate socio-economic development, enhance livelihoods, and support environmental sustainability initiatives. Our CSR philosophy is guided by our core belief that businesses should go beyond regulatory compliance to foster real change and progress for society.

The CSR policy is formulated to support sustainable and inclusive development, contribute to environmental conservation, empower marginalized communities through targeted initiatives and to align with the objectives laid out in the Companies Act, 2013.

## 3) Definitions

- i. **"Board"** refers to the Board of Directors of the company.
- ii. **"Company"** means Stalwart People Services India, incorporated under the Companies Act, 2013.
- iii. **"CSR Committee"** refers to the committee constituted by the Board to oversee CSR activities.

- iv. **“Policy”** refers to this Corporate Social Responsibility (CSR) Policy. Any term not specifically defined shall have the meaning assigned under the Companies Act, 2013, or other applicable regulations.
- v. **“CSR”** means the activities undertaken by the Company in pursuance of its statutory obligation laid down in Section 135 of the Companies Act, 2013 as per the provisions contained in Corporate Social Responsibility Rules, as may be notified from time to time.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Act or the Rules made thereunder, as may be amended from time to time, shall have the meaning respectively assigned to them therein.

#### 4) CSR Activities

The Company is committed to undertaking Corporate Social Responsibility (CSR) initiatives in alignment with Schedule VII of the Companies Act, 2013. The company recognizes its responsibility toward society and aims to contribute to sustainable development by addressing various social, economic, and environmental challenges. Its CSR efforts will primarily focus on areas that create a meaningful impact on communities, with a preference for initiatives in locations where the company operates.

- i. One of the key areas of focus will be the eradication of hunger, poverty, and malnutrition by providing essential nutrition and promoting initiatives that enhance food security. Additionally, the company will contribute to healthcare and sanitation projects, ensuring better medical access, disease prevention, and improved hygiene standards, including efforts to provide clean drinking water to underprivileged communities.
- ii. Education is another crucial pillar of the company's CSR activities. The company will support initiatives that promote primary, secondary, and vocational education, with special attention to differently-abled individuals, women, the elderly, and economically disadvantaged children. Programs aimed at skill development and capacity-building will be encouraged to enhance employability and economic independence.
- iii. Recognizing the importance of gender equality and women's empowerment, the company will actively promote initiatives that support female entrepreneurship, financial literacy, and employment opportunities for marginalized groups. These efforts will help foster an inclusive and diverse workforce while uplifting communities through self-sustaining models of growth.
- iv. Environmental sustainability will remain a core component of the Company's CSR strategy. Initiatives will be undertaken to promote ecological balance, conserve natural resources, animal welfare and improve air, soil, and water quality. Efforts such as afforestation, waste management, renewable energy adoption, and awareness campaigns on environmental conservation will be encouraged.



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- v. Additionally, the company values the importance of preserving national heritage, art, and culture. It will support the restoration of heritage sites, the promotion of traditional arts, and the encouragement of indigenous crafts to sustain cultural diversity and historical richness.
- vi. In acknowledgment of the sacrifices made by the armed forces, the company will extend its support to the welfare of veterans, war widows, and their dependents by contributing to relevant programs that enhance their quality of life.
- vii. The company will also promote sports by encouraging participation in rural and nationally recognized sports, as well as supporting athletes in Paralympic and Olympic disciplines. Sports development initiatives will include infrastructure support, training programs, and scholarships for talented individuals.
- viii. Furthermore, the company will contribute to relief funds such as the Prime Minister's National Relief Fund and other government-designated initiatives that aim to address socio-economic challenges and provide disaster relief.
- ix. Rural development projects will be undertaken to enhance infrastructure, livelihood opportunities, and essential services in underdeveloped areas. Slum improvement projects will also be prioritized to provide better living conditions, sanitation, healthcare, and education facilities to economically weaker sections of society.
- x. 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 Défense 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).
- xi. Manage Disasters: Assist with relief, rehabilitation, and reconstruct on efforts. Any additional activities or subjects specified in Schedule VII of the Companies Act, 2013, and its amendments, as well as relevant circulars and notifications issued by statutory authorities, will also be considered.

Through these CSR initiatives, the company aims to drive positive societal change, foster sustainable development, and create lasting impact by improving the quality of life for diverse communities across India.

## 5) Implementation of CSR Activities

The Company shall ensure that Corporate Social Responsibility (CSR) initiatives are effectively implemented through a structured and accountable framework. These initiatives may be undertaken directly by the company, allowing for greater control, oversight, and alignment with the company's strategic objectives. By implementing CSR activities internally, the company can ensure efficient resource allocation, streamlined execution, and direct engagement with beneficiaries, thereby maximizing the social impact of its efforts.

In addition to direct implementation, the company may also collaborate with external entities that possess expertise in specific social, economic, and environmental domains. This includes working with registered organizations such as a Section 8 company, public trust, or a registered society, provided these entities have a demonstrable track record of at least three years in executing similar CSR initiatives. Engaging with such entities allows the company to leverage specialized knowledge, established networks, and on-the-ground experience, thereby enhancing the effectiveness and reach of its CSR programs.

Furthermore, the company may enter into partnerships with government-recognized organizations or entities that have been established under an Act of Parliament or State Legislature. Such collaborations ensure that CSR initiatives align with national development priorities and contribute to larger policy-driven programs aimed at addressing critical social and environmental challenges. By working with government-backed institutions, the company can integrate its efforts with existing welfare schemes, thereby achieving a more significant and sustainable impact.

Through these diverse modes of implementation, the Company seeks to create a robust and transparent CSR framework that not only complies with regulatory requirements but also fosters meaningful and long-term social transformation. The Board will continuously monitor and evaluate these initiatives to ensure their effectiveness, scalability, and alignment with the company's core values and societal commitments.

## 6) Responsibilities of the Board of Directors

The Board of Directors of a company is required to include an annual report on Corporate Social Responsibility (CSR) in its Board's Report, as mandated by applicable laws and regulations. The report should provide a comprehensive account of the CSR activities undertaken by the company, including details of the projects implemented, the amount of expenditure incurred, and the impact assessment, if applicable. Furthermore, the Board must ensure that the funds allocated for CSR initiatives are utilized for the intended purposes in alignment with the approved CSR policy and action plan. To uphold financial accountability and transparency, the Chief Financial Officer (CFO) or the designated person responsible for financial management shall certify that the disbursed funds have been applied appropriately in accordance with the Board's approval. This certification acts as a safeguard to prevent any misallocation or misuse of funds and reinforces the company's commitment to ethical and responsible corporate governance. Through this process, the Board ensures compliance with statutory CSR obligations while also fostering sustainable social development initiatives.

## 7) CSR Expenditure:

The CSR expenditure will include all expenditure, direct or indirect, incurred by Company on CSR programmes undertaken in accordance with approved CSR plan. The Board shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the Company for the financial year.

Any surplus arising out of the CSR activities shall not form part of the business profit of a company and shall be ploughed back into the same project or shall 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 a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year. The CSR amount may be spent by the Company for creation or acquisition of a capital asset, which shall be held by (a) a company established under section 8 of the Act, or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number under sub-rule (2) of rule 4; or (b) beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or (c) a public authority:

## 8) CSR Committee

The Corporate Social Responsibility (CSR) Committee of the Company shall play a pivotal role in overseeing the planning, execution, and evaluation of the company's CSR initiatives. The committee will be responsible for formulating and recommending the CSR Policy to the Board, ensuring that it aligns with the company's vision, legal requirements, and the broader objectives outlined under Schedule VII of the Companies Act, 2013. Additionally, the committee will monitor the implementation of the policy, regularly reviewing its effectiveness and suggesting necessary revisions to enhance its impact.

To ensure proper allocation and utilization of funds, the CSR Committee shall determine the annual CSR budget and oversee the financial planning of all initiatives. It will work towards the seamless execution of projects by coordinating with relevant stakeholders, both internal and external, to maximize outreach and effectiveness. Furthermore, the committee shall establish a transparent monitoring framework to systematically track the progress, performance, and long-term impact of CSR activities. This will involve setting measurable targets, conducting periodic evaluations, and preparing reports to assess the effectiveness of each initiative.

The CSR Committee shall comprise the following members\*:

- 1. Christopher Arvinth (MD)- Chairman**
- 2. Mary Pushpam (Non-Executive Director) - Member**
- 3. Ramalingam Vishnuprabhakar (ID) - Member**

These members will collectively ensure that the company's CSR efforts are carried out in a responsible, ethical, and impactful manner, contributing to meaningful and sustainable social development.

\* CSR Committee as on 26<sup>th</sup> March 2025

PAN No. AAHCS7398R GSTIN No: 33AAHCS7398R2Z9 CINo.U74920TN2003PLC158097 ESI No. 51560610820011018 PF No. TNMAS2895018000

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The CSR Committee shall comprise the following members\*\*:

1. **Christopher Arvinth (MD)- Chairman**
2. **Caroline Mendez (WTD)- Member**
3. **Subramaniam Bharath (ID)- Member**

\*\* CSR committee re-constituted on 2<sup>nd</sup> June 2026

## 9) CSR Expenditure

The Company shall allocate the budget for CSR activities. The minimum budgeted amount for a financial year shall be 2% of the average net profit of three immediately preceding financial years. The Company may allocate more fund/amount than the amount prescribed under section 135 of the Companies Act, 2013, for the CSR activities for any financial year. The Committee shall calculate the total fund for the CSR activities and recommend to the Board for the approval. The Board shall approve the total fund to be utilized for CSR activity for respective financial year. All expenditures related to Corporate Social Responsibility (CSR) initiatives shall be pre-approved by the CSR Committee to ensure financial accountability and alignment with the company's CSR objectives. The Chief Financial Officer (CFO), and Managing Director (MD) of the company shall be jointly responsible for monitoring the utilization of CSR funds to ensure their effective deployment for the intended purposes. The CSR Committee itself will periodically monitor the overall progress of initiatives, evaluate their impact, and recommend corrective measures if necessary. Furthermore, to ensure impartial evaluation and enhanced transparency, the CSR Committee may, at its discretion, engage an Independent Auditor or Third-Party experts to conduct focused reviews of CSR activities. Such evaluations will help assess the effectiveness, sustainability, and long-term impact of the company's CSR initiatives.

The CSR Committee may also allocate the CSR budget separately and exclusively in the company's Annual Plan for undertaking specific welfare activities under CSR. This structured financial planning will allow the company to effectively prioritize initiatives, optimize resource allocation, and ensure that CSR efforts contribute meaningfully to social and economic development. Through these measures, the Company reaffirms its commitment to responsible and impactful corporate social responsibility.

## 10) Monitoring:

The Board of Directors of the Company 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 shall certify to the effect. 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. Impact assessment, to the extent applicable, will be carried out through an independent agency on such projects having such budget outlays as prescribed in the Rules. The report of such assessment shall be placed before the Board and shall also be annexed to the Annual Report on CSR.

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## 11) Monitoring and Evaluation Framework

To ensure transparency, accountability, and compliance with regulatory requirements, an annual audit of all Corporate Social Responsibility (CSR) activities undertaken by the Company may be conducted by competent independent auditors. This audit will serve as a comprehensive review of the company's CSR initiatives, assessing the financial prudence, effectiveness, and overall impact of the projects executed during the financial year.

The independent auditors will evaluate whether the allocated CSR funds have been utilized as per the approved budget and in alignment with the CSR policy and legal provisions outlined in the Companies Act, 2013. The audit process will include a thorough examination of expenditure records, project implementation reports, and stakeholder feedback to ensure that CSR activities are carried out efficiently and transparently.

Additionally, the audit findings will be presented to the CSR Committee and the Board, providing valuable insights and recommendations for enhancing the company's CSR strategy. If required, the committee may take corrective actions based on the audit observations to improve efficiency, maximize social impact, and strengthen governance mechanisms.

By instituting an independent audit mechanism, the Company reaffirms its commitment to responsible corporate citizenship, ensuring that its CSR initiatives create a meaningful and sustainable impact on society while adhering to the highest standards of accountability and integrity.

**Handling Excess Spending:-** If a Company spends more than the mandated 2% of its average net profits on CSR activities in a financial year, it has the option to set off the excess amount against its CSR obligations in the immediately succeeding three financial years. This adjustment must be approved by the Board of Directors through a resolution. However, it's important to note that any surplus arising from CSR activities cannot be included in this set-off.

**Managing Unspent Funds:-** If the unspent amount pertains to an ongoing project, it must be transferred to a special account called the Unspent CSR Account within 30 days from the end of the financial year. These funds should be utilized within three financial years from the date of transfer. If not utilized within this period, the unspent amount must be transferred to a fund specified in Schedule VII of the Companies Act, 2013, within 30 days after the completion of the third financial year.

**Handling Surplus:** - Surplus arising from CSR activities refers to income generated from CSR projects, such as interest income or revenue from the sale of materials used in CSR projects. This surplus must be utilized in the following ways:

- i. **Plough Back into the Same Project:** The surplus can be reinvested into the same CSR project that generated it.
- ii. **Transfer to Unspent CSR Account:** The surplus can be transferred to the Unspent CSR Account and utilized for CSR activities as per the Company's CSR policy and annual action plan.

- iii. **Transfer to Schedule VII Fund:** Alternatively, the surplus can be transferred to a fund specified in Schedule VII of the Companies Act, 2013, within six months after the end of the financial year.

## 12) Review & Compliance

The CSR Committee shall periodically review the CSR Policy and recommend amendments based on evolving community needs and legal requirements. Any changes in relevant laws, circulars, or notifications shall be incorporated into this policy with immediate effect.

| Particulars         | Date                           |
|---------------------|--------------------------------|
| Policy constitution | 13 <sup>th</sup> June 2016     |
| First review        | 26 <sup>th</sup> March 2025    |
| Second review       | 02 <sup>nd</sup> February 2026 |