



**POTHYS SWARNA MAHAL
PRIVATE LIMITED**

CORPORATE SOCIAL RESPONSIBILITY POLICY



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Section	Title	Description
1	Introduction & Commitment	Outlines the Company's longstanding dedication to social responsibility, including initiatives for underprivileged communities and compliance with the Companies Act, 2013.
2	Objective	Defines the overarching goal of enhancing community well-being through sustainable CSR interventions in India.
3	Focus Areas	Specifies three main CSR domains: Education & Skill Development; Healthcare & Sanitation; Build India & Community Relief.
4	Scope Definitions &	Provides key terms and their meanings (e.g., Act, CSR Committee, Net Profit, Ongoing Projects) aligned with statutory frameworks.
5	Governance Structure	Describes the composition of the CSR Committee and Board of Directors, including meeting frequency and responsibilities.
6	Roles and Responsibilities	Describes the roles and composition of the CSR Committee and Board of Directors
7	CSR budget	Explains the process of annual budget recommendation, Board approval, surplus management, and carry-forward of excess spending.
8	Geographical Reach	Establishes preference for local communities near operations, with all activities confined to India.
9	Annual Action Plan	Lists the required components of the yearly CSR plan—projects, methodologies, timelines, budgets, monitoring, and impact assessment.
10	Implementation Process	Details execution methods: direct Company initiatives, via the Pothys Foundation, or through accredited agencies.
11	Monitoring & Audit	Covers periodic audits, compliance checks, and the structured project approval workflow (Sub-Committee → Management Committee → CSR Committee → Board).
12	Amendments & Legal Compliance	States the Board's authority to modify the Policy and affirms that updated statutory provisions take precedence.
13	Contact Information	Provides the designated email for all CSR-related inquiries.





1. INTRODUCTION AND COMMITMENT

Pothys Swarna Mahal Private Limited (hereinafter referred to as “the Company”) has consistently upheld strong social responsibility standards since its inception. The Company has actively supported socio-economically disadvantaged communities proximate to its operations, through direct interventions and collaborations with NGOs.

Pursuant to Section 135 and Schedule VII of the Companies Act, 2013, read with the Companies (CSR Policy) Rules, 2014 (as amended), the Company has formally constituted a CSR Committee and established this CSR Policy.

2. OBJECTIVE

The primary objective of the Company’s CSR initiatives is to sustainably improve the quality of life of communities it serves across states where the Company operates. The Company seeks to create long-term value for all stakeholders by promoting socio-economic upliftment in operational areas through targeted interventions in education, healthcare, and community development.

The programs are designed to uphold the highest standards of service delivery and to develop efficient and replicable social impact models.

3. FOCUS AREAS

The scope of CSR activities of Pothys Swarna Mahal Private Limited will be in accordance with the activities mentioned on Schedule VII of the Act inter alia covering below mentioned key thrust areas:

- (i) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- (ii) 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.;
- (iii) 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
- (iv) 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





(v) training to promote rural sports, nationally recognised sports, Paralympic sports and Olympic sports;

(vi) contribution to the prime minister's national relief fund.

(vii) Any other activity as permitted under the Act.

4. SCOPE AND DEFINITIONS

Unless the context otherwise requires, the words, terms, expressions and derivations used in this Policy shall have the same meaning given in the Companies Act, 2013:

- a. **“Act”** shall mean the Companies Act 2013 and the rules made thereunder, including any modifications, amendments or re-enactment thereof.
- b. **‘Annual Action Plan’** shall mean the annual plan detailing the CSR projects/ activities, budget and expenditure allocated for each project/ activity for the year etc.
- c. **‘Board’ or ‘Board of Directors’** shall mean the Board of Directors of the Company.
- d. **‘Company’** shall mean Pothys Swarna Mahal Private Limited and wherever the context requires, shall signify the Company acting through its Board.
- e. **‘CSR Budget’** shall mean the total budget as approved by the Board of the Company upon the recommendation of the CSR Committee, which is to be utilized for CSR Projects.
- f. **‘CSR Committee’** shall mean the Corporate Social Responsibility Committee constituted by the Board of the Company in accordance with the Act, consisting of two or more directors of the Company
- g. **‘CSR Expenditure’** means all CSR Expenditure of the Company as approved by the Board upon recommendation of the CSR Committee, including the following:
 - i. contribution to CSR Projects which shall be implemented and/ or executed by the Company;
 - ii. contribution to CSR Projects (including for corpus as required) which shall be implemented and/or executed by Guruvammal Trust and/ or any accredited implementing agency which may be a registered and accredited trust, any other Section 8 Company, Society or NGO or in collaboration with other Companies.
- h. **‘CSR Officer’** shall mean the whole-time person engaged by the Company for activities envisaged in the CSR Policy, having due comprehension, understanding, drive and passion for such activities and designated as such.





- i. **'CSR Policy'** shall mean the present Corporate Social Responsibility Policy of the Company, which covers the activities to be undertaken by the Company [areas or subjects] as specified in Schedule VII to the Act and the CSR Expenditure thereon.
- j. **'CSR Projects' or 'Projects'** means Corporate Social Responsibility projects/ activities/ programs/ initiatives instituted in India, either new or ongoing, and include but 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. Projects/ activities/ programs/ initiatives undertaken in pursuance of normal course of business of the Company and projects which benefit only the employees of the Company and their families shall not be considered as CSR Projects.
- k. **'Financial Year'** shall mean the period beginning from 01st April of a year to 31st March of the succeeding year.
- l. **'Independent Director'** shall mean an Independent Director referred to in sub-section (6) of Section 149 of the Companies Act 2013.
- m. **'Net profit'** means the net profit of a company as per its financial statement prepared in accordance with the applicable provisions of the Companies Act, 2013, but shall not include the following, namely:
 - i. any profit arising from any overseas branch or branches of the company, whether operated as a separate Company or otherwise; and
 - ii. any dividend received from other companies in India, which are covered under and complying with the provisions of Section 135 of the Companies Act, 2013.
- n. **'Rules'** shall mean the Companies (Corporate Social Responsibility) Rules 2014, including any re-enactment, modifications or amendments thereof.
- o. **'Ongoing Project(s)'** means a multi-year project(s) undertaken by a Company in fulfilment of its CSR obligation having timelines not exceeding three years excluding the Financial Year in which it was commenced and shall include such project(s) that was initially not approved as a multi-year project(s) but whose duration has been extended beyond one year by the board based on reasonable justification.





5. GOVERNANCE STRUCTURE

CSR Committee

⌚ Composition

Pursuant to Section 135(1) of the Companies Act, 2013, the Company shall constitute Corporate Social Responsibility Committee (“CSR Committee”) comprising a minimum of three directors, including at least one Independent Director.

Provided, however, that where the Company is not mandated to appoint an Independent Director under Section 149(4), the CSR Committee shall consist of at least two directors.

⌚ Membership of the Committee

The Board of Directors has constituted the CSR Committee. The names and designations of its members are set forth in **Annexure I** to this Policy.

⌚ Quorum Requirement

A quorum for any meeting of the CSR Committee shall consist of two members or one-third of its total membership, whichever is higher.

⌚ Frequency of Meetings

The CSR Committee shall convene at least one meeting in each financial year, and may meet more frequently if deemed necessary.

⌚ Amendment of Committee Composition

The Board holds the authority to alter the constitution of the CSR Committee at any time. In the event of any change—be it appointment, resignation, or re-designation—the Chairperson of the CSR Committee is authorized to update Annexure I to reflect the revised membership.

6. ROLES AND RESPONSIBILITIES

The CSR Committee shall be responsible for the following.

- a. Formulation and recommendation to the Board, a Corporate Social Responsibility Policy (CSR Policy) including its amendments from time to time which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act.
- b. Formulation and recommendation to the Board, CSR Annual Action Plan for each financial year.
- c. To monitor the Corporate Social Responsibility Policy of the Company from time to time.





- d. To recommend to the Board, amount of CSR budget for carrying out the activities referred to in sub-clause (a) above.
- e. To provide the Annual Report on the CSR activities done by the Company to the Board.
- f. Institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company.
- g. CSR Committee shall discuss any other item apart from the above for the furtherance of CSR Objectives in accordance with the Policy.

The Board of Directors shall be responsible for the following:

- a. Approval of the CSR Policy including amendments from time to time, of the Company.
- b. Approval of the Annual Action Plan including amendments from time to time, in pursuance to CSR Policy.
- c. Disclosure of CSR Policy on Company's website in such a manner as prescribed under Section 135 of the Act.
- d. Ensuring that the best possible efforts will be taken by the Company to spend, in every Financial Year, at least 2 (two) percent of the average net profits of the Company as computed under Section 198 of the Act, made during the 3 (three) immediately preceding Financial Years in pursuance of the Policy.
- e. To approve CSR projects, CSR budget and expenditure on the projects.
- f. Transferring the unspent CSR amount, if any, pertaining to a financial year, to a Fund specified in Schedule VII of the Companies Act, 2013, unless the unspent amount relates to any ongoing project(s) referred to in sub-section (6) of Section 135 of the Act, within a period of 6 (six) months of the expiry of the Financial Year.
- g. Satisfying itself that the funds so disbursed have been utilised for the purposes and in the manner as approved by it and also to ensure CSR amount is spent in accordance to meet the CSR objective of the Company and the Policy.
- h. To monitor the CSR Projects from time to time.
- i. Looking into any other matter/ requirement as may be recommended by the CSR Committee.





7. CSR BUDGET

Recommendation and Approval of CSR Expenditure

The CSR Committee shall recommend, each financial year, the total CSR expenditure and allocations for various projects, programs, or activities. The Board of Directors shall review and may approve such recommendations, with or without modifications.

Treatment of Surplus Funds

Any surplus funds generated from CSR programs:

- Shall not be treated as business profits;
- Shall be reinvested into the same project;
- Alternatively, may be transferred to the “Unspent CSR Account” and utilized in accordance with the Company’s CSR Policy and Annual Action Plan;
- Or may be transferred to a Fund specified in Schedule VII of the Companies Act, 2013, within six months following the conclusion of the financial year.

Carry-forward of Excess CSR Spending

If the Company expends funds exceeding its prescribed CSR obligation in any financial year:

- Such excess may be carried forward and set off against future CSR obligations for up to three succeeding financial years;
- This is permitted only upon passing a resolution by the Board of Directors;
- For this purpose, the amount carried forward shall exclude any surplus arising from CSR activities as described above.

8. GEOGRAPHICAL REACH

Pursuant to the first proviso to Section 135(5) of the Companies Act, 2013, Pothys Swarna Mahal Private Limited shall, whenever feasible, prioritize expenditure on CSR activities in the local area and its immediate surroundings—defined as communities proximal to its branches, facilities, warehouses, marketing and administrative offices, Notwithstanding this preference, CSR initiatives may also be undertaken elsewhere in India, provided they align with national priorities as set forth in Schedule VII.

9. ANNUAL ACTION PLAN

The Annual Action Plan shall include the following.

- a. the list of CSR projects or programs which are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
- b. the manner of execution of such projects or programs as specified in sub-rule (1) of Rule 4;





- c. the modalities of utilization of funds and implementation schedules for the projects or programmes;
- d. monitoring and reporting mechanism for the projects or programmes; and
- e. details of need and impact assessment, if any, for the projects undertaken by the Company.

The Board of Directors of the Company shall alter such plan at any time during the financial year as per the recommendation of the CSR committee, based on the reasonable justification to that effect.

10. IMPLEMENTATION PROCESS

The CSR programs shall be implemented directly by the Company or through Guruvammal Charitable Trust (a Trust registered under Indian Trust Act 1882) or through any accredited implementing agency which may be a registered and accredited trust, any other Section 8 Company, Society or NGO or in collaboration with other Companies.

The Company has identified 'Education & Skill Development' and 'Health & Hygiene' as two focus areas. The Company, subject to the recommendation of the CSR Committee and approval of the Board of Directors of the Company, may undertake any CSR project(s) specified in Schedule VII of the Companies Act, 2013 from time to time.

11. MONITORING AND AUDIT

The Company shall periodically review its CSR expenditures to verify that all amounts disbursed pertain exclusively to projects, programmes, or activities approved by the Board. Such reviews ensure continued adherence to Section 135 of the Companies Act, 2013 and related CSR Rules.

This review process shall confirm that CSR funds have been expended in accordance with the Company's CSR Policy and comply fully with all statutory provisions governing CSR implementation and reporting. The mechanism, may, include regular internal monitoring, certification by the Chief Financial Officer, and audits—either internal or by third-party experts—in line with the guidance provided by the Institute of Chartered Accountants of India and Rule 8 requirements for CSR reporting.

12. AMENDMENTS AND LEGAL COMPLIANCE

⌚ Preliminary Assessment

A cross-functional CSR Sub-Committee—comprising managers and select members of the Management Committee—shall conduct an initial review of proposed CSR projects. The CSR Team (or branch/plant management) shall prepare comprehensive project proposals, including a detailed project report and budget. All relevant documentation must be made accessible to facilitate thorough evaluation.





⌚ Secondary Review

Projects endorsed by the Sub-Committee shall be escalated to the Management Committee for a more structured evaluation, considering strategic objectives, resource allocation, an organizational impact.

⌚ Final Endorsement

Projects receiving approval at the secondary stage shall be submitted to the CSR Committee. Upon its endorsement, the CSR Committee will recommend the projects to the Board of Directors for final approval in accordance with statutory mandates under Section 135 and the CSR Rules.

AMENDMENTS AND DISCLAIMERS

⌚ Amendment Authority

The Board of Directors of the Company shall have the authority, upon the recommendation of the CSR Committee, to amend, update, replace, or substitute any provisions of this CSR Policy, or to adopt an entirely new CSR Policy, in accordance with its fiduciary obligations and subject to applicable legal provisions.

⌚ Statutory Supremacy

In the event of any inconsistency or divergence between the provisions of this CSR Policy and any existing or future law, regulation, rule, statutory standard, or mandatory guideline, such law, regulation, rule, or standard shall take precedence and govern to the extent of such inconsistency. The provisions of this CSR Policy shall be construed and interpreted in a manner consistent with such statutory requirements. Until the necessary amendments are affected in this CSR Policy to align it with such statutory requirements, the latter shall prevail.

⌚ Definitions and Interpretation

Unless the context otherwise requires, terms and expressions used in this CSR Policy shall carry the same meanings ascribed to them under the Companies Act, 2013, including Section 135, the Companies (CSR Policy) Rules, 2014, and related amendments.

13. CONTACT DETAILS:

For queries and feedback related to CSR projects/ programmes/ activities, please write to us at our registered office or at: E-mail: corporate@pothysswarnamahal.com

This Policy underscores Pothys SwarnaMahal Private Limited's enduring dedication to ethical corporate behaviour, community wellbeing, and national development, in full compliance with applicable legal standards and governance frameworks.





ANNEXURE : 1

COMPOSITION OF CSR COMMITTEE

Sl. No.	Name of Member	Designation
1.	Mr. Sadayandi Ramesh	Member
2.	Mr. Sadayandi Ashok	Member
3.	Mr. Sadayandi Pothiraj	Member

Version:

1.1	Approved at Board Meeting dated – 22.07.2021
1.2	Revision Approved at Board Meeting dated – 06.09.2024



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