

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

Pursuant to Section 135 of the Companies Act, 2013 and the Companies (CSR Policy) Rules, 2014 (Revised w.e.f 15.05.2026)

### **1. PREAMBLE**

This Corporate Social Responsibility (CSR) Policy (“Policy”) has been adopted by the Board of Directors of Solidarity Advisors Private Limited (“Company”) in accordance with Section 135 of the Companies Act, 2013 (“Act”) read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time.

The Company recognizes that responsible business conduct goes beyond financial performance. This Policy establishes the framework within which the Company will plan, implement, monitor, and report its CSR activities, ensuring meaningful and measurable impact on communities and the environment.

### **2. APPLICABILITY AND STATUTORY OBLIGATION**

This Policy applies to the Company as it meets one or more of the following thresholds under Section 135(1) of the Act in any of the immediately preceding three financial years:

- Net worth of ₹500 crore or more; or
- Turnover of ₹1,000 crore or more; or
- Net profit of ₹5 crore or more.

Pursuant to Section 135(5) of the Act, the Company shall spend at least 2% of the average net profits of the three immediately preceding financial years on CSR activities in every financial year.

Any unspent CSR amount at the end of the financial year shall be dealt with in accordance with Section 135(6) of the Act, including transfer to the Unspent CSR Account or to a Fund specified in Schedule VII, as applicable.

### **3. CSR GOVERNANCE — BOARD OF DIRECTORS**

Note: Since the Company’s CSR obligation does not exceed ₹50 lakh, constitution of a separate CSR Committee is not required under the proviso to Section 135(1) of the Act. The Board of Directors shall discharge all functions that would otherwise vest in a CSR Committee.

The Board of Directors shall:

- Formulate, approve, and amend this CSR Policy, including the activities to be undertaken and the amount of expenditure to be incurred.
- Ensure that the CSR activities are undertaken as per the approved Policy.
- Prepare and approve the Annual Action Plan at the beginning of each financial year.
- Identify and evaluate implementing partners (NGOs / agencies / direct implementation).
- Monitor implementation and review progress periodically.
- Approve the Annual CSR Report and ensure its inclusion in the Board's Report.
- Ensure disclosure of CSR activities on the Company's website.

Important caveat: If the Company at any time has an amount in its Unspent CSR Account relating to an "ongoing project," it shall constitute a CSR Committee and comply with full CSR Committee requirements even if the annual obligation remains below ₹50 lakh.

#### **4. CSR VISION AND OBJECTIVES**

The Company's CSR vision is to create long-term, sustainable value for the communities in which it operates, with particular emphasis on underserved populations, and to contribute meaningfully to India's socio-economic development goals including the Sustainable Development Goals (SDGs).

The objectives of this Policy are to:

- Fulfil the Company's statutory CSR obligations under the Act.
- Integrate social and environmental responsibility into core business strategy.
- Support programmes that promote financial inclusion, education, skill development, and environmental sustainability.
- Build transparent governance structures for CSR planning, execution, and reporting.
- Engage with credible implementing agencies and NGOs to maximise on-ground impact.

#### **5. CSR FOCUS AREAS**

The Company may undertake activities specified in Schedule VII of the Act, as amended. Priority focus areas include, but are not limited to:

### 5.1 Financial Inclusion and Digital Empowerment

- Promoting access to financial services, digital payments, and formal banking infrastructure for unbanked and underbanked populations.
- Supporting financial literacy programmes, particularly in rural and semi-urban areas.
- Enabling technology-driven inclusion for women, migrant workers, and small businesses.

### 5.2 Education and Skill Development

- Funding education infrastructure, scholarships, and digital learning platforms.
- Skill development and vocational training programmes aligned with industry needs.
- Support for STEM education, coding literacy, and entrepreneurship development.

### 5.3 Environment and Sustainability

- Initiatives for environmental conservation, renewable energy, and climate resilience.
- Reducing carbon footprint through green infrastructure and waste management programmes.
- Supporting biodiversity, water conservation, and afforestation projects.

### 5.4 Health, Sanitation, and Rural Development

- Healthcare access and preventive health programmes for underserved communities.
- Sanitation, safe drinking water, and hygiene infrastructure.
- Livelihood promotion and rural development initiatives.

### 5.5 Other Permissible Activities

The Board may approve additional activities as listed under Schedule VII of the Act, as amended.

## 6. IMPLEMENTATION FRAMEWORK

### 6.1 Direct Implementation vs. Partner Model

The Company may implement CSR activities:

- Directly by the Company;
- Through a registered trust, society, or company established under Section 8 of the Act;

- In collaboration with other companies for common projects as permitted under the Rules; or
- Through entities holding CSR Registration Numbers (CRN) on the MCA portal, registered under Rule 4(1) of the CSR Rules and compliant with Section 12A and 80G of the Income Tax Act, 1961.

## **6.2 Due Diligence**

The Board shall conduct or commission due diligence of implementing agencies prior to engagement, covering:

- Legal registration and tax compliance status.
- Track record of programme delivery and financial management.
- CRN on the MCA portal, where applicable.

## **6.3 Annual Action Plan**

Before the commencement of each financial year, the Board shall prepare and approve an Annual Action Plan setting out:

- Proposed projects / programmes and their alignment to Schedule VII.
- Estimated budget and spend allocation per activity.
- Implementing agencies (where applicable) and project timelines.
- Proposed impact metrics and monitoring framework.

## **7. CSR BUDGET AND EXPENDITURE**

The minimum CSR budget for each financial year shall be 2% of the average net profits of the preceding three financial years, computed in accordance with Section 198 of the Act.

Permissible CSR expenditure includes:

- Direct project / programme costs.
- Administrative overheads, capped at 5% of total CSR expenditure for that year.
- Contribution to CSR-registered entities or funds under Schedule VII.

Expenditure that shall NOT be counted as CSR:

- Activities undertaken in the normal course of business.
- Activities benefitting only employees and their families.

- Contributions to political parties.
- Sponsorships for commercial benefit.
- Activities outside India (unless specifically permitted under the Rules).

Surplus arising from CSR activities shall not form part of business profit and shall be reinvested in the same project or transferred as required under Section 135(6).

## **8. UNSPENT CSR AMOUNT**

Where the Company fails to spend the full CSR obligation in any financial year:

- Any unspent amount relating to ongoing projects shall be transferred to a designated Unspent CSR Account opened in a scheduled bank within 30 days of the end of the financial year. Funds in this account shall be spent within three financial years.
- Any unspent amount not attributable to ongoing projects shall be transferred to a Fund specified in Schedule VII (e.g., PM National Relief Fund, Swachh Bharat Kosh) within six months of the end of the financial year.

Failure to comply shall attract penalties under Section 135(7) of the Act.

## **9. MONITORING, EVALUATION, AND REPORTING**

The Board shall establish a monitoring framework that includes:

- Periodic progress reviews against the Annual Action Plan (minimum: quarterly for material projects).
- Field visits and third-party impact assessments for projects above a threshold amount as determined by the Board.
- Collection and review of utilisation certificates and audited accounts from implementing agencies.

Annual Reporting: The Company shall disclose CSR activities, expenditure, and impact in the Annual Report in Form CSR-2 and in the Board's Report, including:

- Brief overview of CSR Policy.
- Amount spent, unspent, or transferred during the year.
- Details of activities undertaken (project-wise).

## **10. POLICY REVIEW AND AMENDMENT**

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### **SOLIDARITY ADVISORS PVT. LTD.**

Regd. Office: 101, Buena Vista, St. Alexius Road, Bandra West, Mumbai 400050

Corporate Office: 704 & 705, Balarama, E-Block, Bandra Kurla Complex, Bandra East, Mumbai 400051 t +91 22 49714275 www.solidarity.in

SEBI Registration No: INP000004961 CIN U67190MH2011PTC224651

This Policy shall be reviewed by the Board at least once a year and updated to reflect changes in law, business context, or strategic priorities. Any material amendments shall be approved by the Board and disclosed on the Company's website and in the Annual Report.

This Policy shall be published on the Company's website in accordance with Rule 9 of the Companies (CSR Policy) Rules, 2014.

## **11. GOVERNING LAW**

This Policy is governed by and shall be construed in accordance with:

- The Companies Act, 2013 — Section 135 and Schedule VII.
- The Companies (Corporate Social Responsibility Policy) Rules, 2014 (as amended, including 2021 amendments).
- Circulars and clarifications issued by the Ministry of Corporate Affairs (MCA) from time to time.