







Aranath Real Estate Private Limited

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CORPORATE SOCIAL RESPONSIBILITY POLICY

OF

ARANATH REAL ESTATE PRIVATE LIMITED

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ABOUT ARANATH

Aranath Real Estate Private Limited is a new-age real estate player with expertise in laying the foundation for communities to thrive. We develop and manage residential and commercial projects-warehouses, industrial land, property development, property management, real estate investment, property leasing, real estate brokerage, real estate marketing.

Where others see a site to construct buildings, we envision a space where communities thrive. We have built iconic projects from the ground up as well as mastered the craft of breathing new life into old structures with a modern ecosystem, sophistication and a lifestyle upgrade.

Our communities flourish amidst the majestic Mumbai skyline, boasting renowned landmarks such as Bullion House, a prestigious business space in Zaveri Bazar, Kothari Heights, a soaring skyscraper in Mumbai Central.

Our Company offers facilitation and coordination services for real estate developers, complemented by commissions and marketing activities focused on selling exclusive inventories of projects under the Development and Management model. With our comprehensive support throughout the project lifecycle, clients can enhance efficiency, minimize risks, and achieve exceptional outcomes.

Our experienced marketing professionals employ strategic approaches to maximize visibility, generate interest, and facilitate seamless sales for exclusive project inventories.

Through our diversified business approach and incorporation of new-age infra projects through our group companies, Lockated & Nashville Infra, we meet the evolving needs of the real estate industry. Leveraging data-backed intelligence, Lockated's PropTech solutions serve all stakeholders, enabling efficient management of operations, finances, project construction, customers, and properties.

- **Our Mission:**
To build commercial and residential properties that are the right balance of quality, aesthetics, functionality and affordability.
- **Our Vision:**
To transform mere locations into iconic landmarks where communities thrive.
- **Our Philosophy:**
Araha in Sanskrit means worth. Aranath stands for building a worthy life. At Aranath, we build spaces worthy for communities to thrive.



DEFINITIONS

- i) "Act" means the Companies Act, 2013.
- ii) "Company" means Aranath Real Estate Private Limited.
- iii) "Board of Directors" or "Board" means the collective body of the directors of the Company.
- iv) "CSR Committee" means Corporate Social Responsibility Committee constituted by the Board of Directors of the Company.
- v) "CSR Policy" means a Policy formulated by Aranath Real Estate Private Limited containing the approach and direction given by the board of the Company, taking into account the recommendations of its CSR Committee, and includes guiding principles for selection, implementation and monitoring of CSR activities as well as formulation of the annual action plan.
- vi) "CSR Rules" means the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time.
- vii) "Corporate Social Responsibility (CSR)" means the activities undertaken by a Company in pursuance of its statutory obligation laid down in section 135 of the Act in accordance with the provisions contained in CSR rules.
- viii) "Implementing Agency" means any entity registered with Ministry of Corporate Affairs for undertaking CSR projects, which is engaged by the Company to implement various projects in pursuance of CSR Policy.
- ix) "Net Profit" shall not include such sums as may be prescribed and shall be calculated in accordance with the provisions of section 198 of the Act and clause (h) of Rule 2 of CSR Rules.
- x) "Ongoing Project" means a multi-year project 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 that was initially not approved as a multi-year project but whose duration has been extended beyond one year by the board based on reasonable justification;
- xi) "Administrative Overheads" means the expenses incurred by the Company for 'general management and administration' of Corporate Social Responsibility functions in the Company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular Corporate Social Responsibility project or programme;

Words and expressions used and not defined hereinabove but defined in the Act shall have the same meanings respectively assigned to them under the Act and CSR Rules as applicable to the Company.



INTRODUCTION TO CSR

“CIVILIZATION” in true sense means coming and working together for each other with the idea of benefiting the other. However, to keep pace with the changing environment the “civilization” seems to lose its true meaning. One should realize that the synergy is gained by coming together and not by staying isolated. The Ministry of Corporate Affairs (“MCA”) introduced the new concept Corporate Social Responsibility (“CSR”) in the Companies Act, 2013 with a view to bring back the true meaning of civilization. The organizations must understand the need of the hour that the Government cannot alone uplift the society as a whole and thus every organization must extend their hands for this noble cause.

The organization functions in the society, it is a part of it and it receives resources, man power, revenue, etc. from the society and it inherently becomes the responsibility of the organization to return to the society by giving what the society wants so that it can become a better place for the entire human race.

CSR is a broad term used to describe a company’s efforts to improve society in some way. These efforts can range from donating money to non-profits to implementing environmentally friendly policies. The activities taken up as part of CSR reflect the intent to create a positive impact on society without seeking any commensurate monetary benefits.

The Company’s objective is to pro-actively support meaningful socio-economic development in India and enable a larger number of people to participate in and benefit from India’s economic progress. This is based on the belief that growth and development are effective only when they result in wider access to opportunities and benefit a broader section of society.

BACKGROUND TO CSR POLICY

This CSR policy of the Company is formulated pursuant to clause (a) of sub-section 3 of Section 135 of the Act and rules made thereunder and other applicable laws to the Company. Further, this policy sets out a framework, guiding the Company’s CSR activities and the rules that need to be adhered to while taking up and implementing CSR activities. Through this CSR Policy, the Company proposes to adopt short/ medium/ long term CSR programs and initiatives. This policy aims at enabling the Company to practice its corporate values through its commitment to grow in a socially and environmentally responsible way, while meeting the interests of its stakeholders.



GUIDING PRINCIPLES, APPROACH AND DIRECTION OF CSR

It is the Company's commitment to ensure that its activities extend beyond business and include initiatives and endeavours for the benefit and development of the community/society. The Company's CSR initiatives are aligned with the principles to serve a social purpose, sustainable development of the society and benefit to the needy.

Any other permitted activities to be undertaken by the Company may be selected, implemented and monitored while considering these guiding principles, approach and direction.

- **Community Upliftment**

We promote community upliftment by constantly contributing towards education, healthcare and employment, through non-profit organizations.

- **Sustainability**

We have adopted sustainable construction best practices like using environmentally responsible construction materials, installing energy-efficient systems, reducing waste and pollution and optimizing water usage etc.

Our top management has transitioned to EVs to reduce carbon emissions every day. We encourage all our employees to adopt EVs or participate in carpooling to commute.



PERMISSIBLE AREAS OF CSR ACTIVITIES

The CSR activities of the Company shall be undertaken in areas identified by the CSR Committee. The CSR Committee is required to identify the CSR activities as from the areas enumerated in Schedule VII of the Act, as amended from time to time in this regard, including activities permitted by MCA/ROC through various notifications, circulars, rules, etc.

ACTIVITIES ENUMERATED IN SCHEDULE VII OF THE ACT:

Activities enumerated in Schedule VII of the Act are given below. Changes made to the permitted CSR activities through various amendments of Schedule VII in the Companies Act, 2013 or through any other means from time to time shall be deemed to be included hereunder:

- (i) Eradicating hunger, poverty and malnutrition, "promoting health care including Preventive health care" and sanitation including contribution to the Swachh 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 Defence

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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

Explanation- For the purposes of this item, the term '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.

The above areas as enshrined in Schedule VII to the Act and included in this policy aims to provide macro areas in which CSR projects should be undertaken by the company. The CSR Committee should consider details of CSR projects as elaborated in the annual action plan for each financial year.

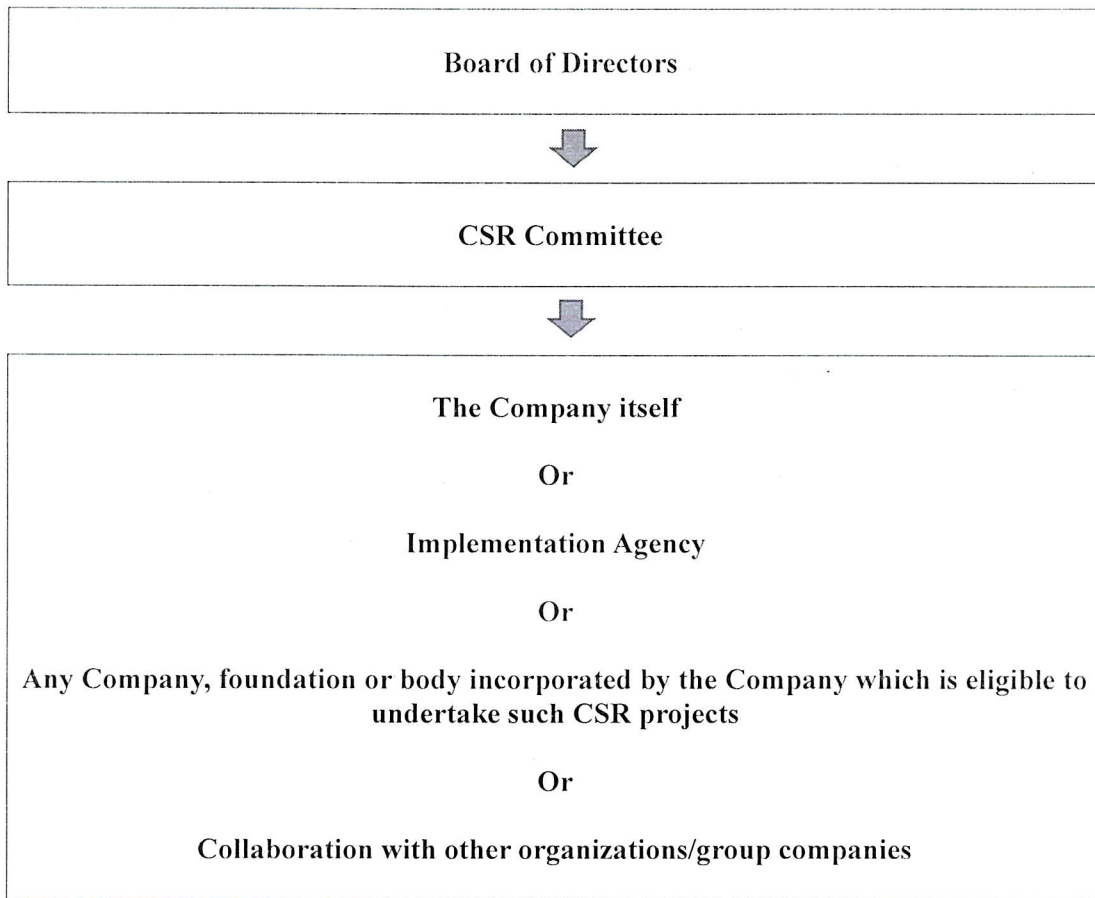
Subject to provisions of sub-section (5) of section 135 of the Act, the CSR projects or programs or activities undertaken in India only shall amount to CSR Expenditure.

Following activities are to be considered as ineligible to qualify as CSR activities:

1. activities benefitting employees of the company as defined in clause (k) of section 2 of the Code on Wages, 2019;
2. activities undertaken in pursuance of normal course of business of the Company;
3. any contribution to any political party under section 182 of the Act;
4. any activity undertaken by the company outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level;
5. activities supported by the Company on sponsorship basis for deriving marketing benefits for its products or services;
6. activities carried out for fulfilment of any other statutory obligations under any law in force in India.



GOVERNANCE STRUCTURE OF CSR



• COMPOSITION OF CSR COMMITTEE

As per sub-section (1) of Section 135 of the Act, every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more directors, out of which at least one director shall be an independent director.

Provided that where a company is not required to appoint Independent Directors under sub-section (4) of section 149, it shall have in its Corporate Social Responsibility Committee two or more Directors.

Accordingly, the composition of the CSR committee of the Company shall be Two Directors at any given point in time unless requirement of appointment of Independent Directors becomes applicable to the Company, in which case the composition of CSR Committee shall be suitably modified as per the requirements of sub-section (1) of Section 135 of the Act.

• ROLE AND RESPONSIBILITIES OF CSR COMMITTEE

The Corporate Social Responsibility Committee shall:

- (i) formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company in areas or subject, specified in Schedule VII;



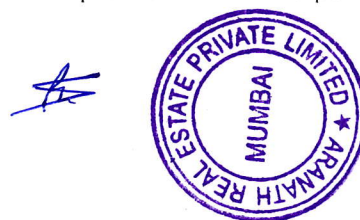
- (ii) recommend the amount of expenditure to be incurred on the activities referred to in clause (i); and
- (iii) monitor the Corporate Social Responsibility Policy of the company from time to time.
- (iv) formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy, which shall include the following, namely: -
 - (a) the list of CSR projects or programmes that 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 programmes as specified in sub-rule (1) of rule 4;
 - (c) the modalities of utilisation 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.
- (v) Recommend changes to the Board, if any, needed in the annual action plan with reasonable justification to that effect.
- (vi) To monitor the CSR Policy as approved by the Board from time to time.
- (vii) The CSR Committee should recommend the approach and direction of CSR activities to be undertaken by the company and provide Guiding principles for:
 - Selection of CSR projects / programmes / activities
 - Implementation of CSR projects / programmes / activities
 - Monitoring of CSR projects / programmes / activities
 - Formulation of the annual action plan

Provided that Board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect.

• **ROLE AND RESPONSIBILITIES OF THE BOARD**

The Board of every company referred to in sub-section (1) of Section 135 shall:

- (i) after taking into account the recommendations made by the Corporate Social Responsibility Committee, approve the Corporate Social Responsibility Policy for the Company and disclose contents of such Policy in its report and also place it on the Company's website, if any, in such manner as may be prescribed; and
- (ii) ensure that the activities as are included in Corporate Social Responsibility Policy of the Company are undertaken by the Company.
- (iii) satisfy itself that the funds disbursed for CSR activities have been utilised for the purposes and in the manner as approved by it and the Chief Financial Officer (if any) or the person responsible for financial management shall certify to the effect.
- (iv) in case of ongoing project, 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.
- (v) ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the Company for the financial year.
- (vi) ensure that the Board's Report of a Company covered under sub-section (3) of section 134 and CSR rules pertaining to any financial year shall include composition of the Corporate Social



Responsibility Committee along with an Annual Report on CSR containing particulars as specified in CSR Rules.

- (vii) mandatorily disclose the composition of the CSR Committee, and CSR Policy and Projects approved by the Board on their website, if any, for public access.

CSR BUDGET AND EXPENDITURE

The Company shall endeavour to achieve the objectives of CSR Policy and allocate every year:

- (i) at least two percent of the average net profits of the Company made during the three immediately preceding financial years.

Provided that the Company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for Corporate Social Responsibility activities. Provided further that if the Company fails to spend such amount, the Board shall, in its report made under clause (o) of sub-section (3) of section 134, specify the reasons for not spending the amount and, unless the unspent amount relates to any ongoing project referred to in sub-section (6), transfer such unspent amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

- (ii) Any amount remaining unspent under sub-section (5) of Section 135 of the Act, pursuant to any ongoing project, fulfilling such conditions as may be prescribed, undertaken by a Company in pursuance of its Corporate Social Responsibility Policy, shall be transferred by the Company within a period of thirty days from the end of the financial year to a special account to be opened by the Company in that behalf for that financial year in any scheduled bank to be called the Unspent Corporate Social Responsibility Account and such amount shall be spent by the Company in pursuance of its obligation towards the Corporate Social Responsibility 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, within a period of thirty days from the date of completion of the third financial year.
- (iii) Until a fund is specified in Schedule VII for the purposes of subsection (5) and (6) of section 135 of the Act, the unspent CSR amount, if any, shall be transferred by the Company to any fund included in schedule VII of the Act.
- (iv) 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.
- (v) Where the Company spends an amount in excess of requirement provided under sub-section (5) of section 135, such excess amount may be set off against the requirement to spend under sub-section (5) of section 135 up to immediate succeeding three financial years subject to the conditions that –
- (i) the excess amount available for set off shall not include the surplus arising out of the CSR activities, if any, in pursuance of clause (iii) above
- (ii) the Board of the Company shall pass a resolution to that effect.
- (vi) All the expenditure relating to CSR shall be pre-approved by the CSR Committee. The CFO (if there is any) or the person responsible for financial management shall monitor the utilization of funds for the purposes set forth and certify to this effect.



IMPLEMENTATION OF CSR

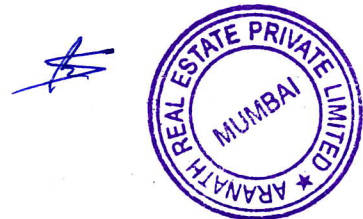
- (i) CSR programs, projects or activities of the Company should be implemented through following methods:
- i. Directly by the Company;
 - ii. Implementing Agencies;
 - iii. Any foundation or body incorporated by the Company and eligible to undertake such CSR projects.
 - iv. in collaboration with other organizations/group companies
- (ii) 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 Act, or a registered public trust or a registered society, registered under section 12A and 80 G of the Income Tax Act, 1961 (43 of 1961), established by the Company, either singly or along with any other Company, or
 - (b) a Company established under section 8 of the Act or a registered trust or a registered society, established by the Central Government or State Government; or
 - (c) any entity established under an Act of Parliament or a State legislature; or
 - (d) a Company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.
- While the Company can engage suitable Implementing Agencies to undertake approved CSR projects. 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.
- (iii) The Board shall be responsible for implementing the mandate of the CSR Policy and shall ensure that the CSR Activities are carried out in accordance with the CSR Policy read with the Act and CSR Rules and the Annual Action Plan formulated and recommended by the CSR Committee.

IMPACT ASSESSMENT

If the Company is having average CSR obligation of ten crore rupees or more in pursuance of sub section (5) of section 135 of the Act, in the three immediately preceding financial years, it shall undertake impact assessment, through an independent agency, of their 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.

In case the Company is undertaking impact assessment, it may book the expenditure towards Corporate Social Responsibility for that financial year, which shall not exceed two percent of the total CSR expenditure for that financial year or fifty lakh rupees, whichever is higher.



CAPITAL ASSETS

- (i) The CSR amount may be spent by a 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

Capital asset acquired or created by CSR projects, if any, should be held by the beneficiaries of the said CSR project or a trust or a public authority for the benefits of all. The Company should take appropriate measure to ensure that such assets are utilized for the purpose it was meant for and should not be transferred or disposed off without prior permission of the Company.

AMENDMENTS TO THE POLICY

The Board of Directors on its own and/ or on the recommendation of CSR Committee, may amend this CSR policy as and when required. Any or all provisions of CSR Policy would be subjected to revision/ amendment in accordance with the regulations on the subject as may be issued from relevant statutory authorities, from time to time. Any changes in law shall be deemed to have been incorporated in this Policy and eligible/ applicable to the Company.

