XANADU REALTY LIMITED

CORPORATE SOCIAL RESPONSIBILITY POLICY

Policy that defines Company's philosophy for outlining its responsibility as a Corporate Citizen and lays down the guidelines and mechanism for undertaking socially useful programmes for welfare & sustainable development of the community at large.

CORPORATE SOCIAL RESPONSIBILITY POLICY

OF

XANADU REALTY LIMITED

Corporate Social Responsibility ("CSR") is a self-regulating business model that helps a company be socially accountable—to itself, its stakeholders, and the public. By practicing corporate social responsibility, also called corporate citizenship, companies can be conscious of the kind of impact they are having on all aspects of society, including economic, social, and environmental.

Every organization operates in a social environment and CSR is the way and means through which the organization can repay the obligations which the society has made by contributing the resources in its various forms as required for the efficient operation of the Business. CSR is strongly connected with the principles of sustainability and social welfare. An organization should make decisions based not only on financial factors, but also on the social and environmental consequences. Therefore, it is the core corporate responsibility of Xanadu Realty Limited (Formerly Known As Xanadu Realty Private Limited) 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:

"Xanadu Realty Limited (Formerly Known As Xanadu Realty Private Limited)" is vigilant in its enforcement towards corporate principles which the Government of India has mandated through Companies (Corporate Social Responsibility) Rules, 2014 and is committed towards sustainable development. The company endeavors to make CSR key business process for sustainable development. It constantly strives to ensure strong corporate culture which emphasizes on integrating CSR values with business objective. It also pursues initiatives related to quality management, environment preservation and social awareness.

Definitions

• **Board** means Board of Directors of the Company.

• **Corporate Social Responsibility** (CSR) means and includes but is not limited to:-

1) Projects or programs relating to activities specified in Schedule VII to the Companies Act, 2013 or any amendment, modification, clarification thereof made by the MCA from time to time; or

2) Projects or programs relating to activities undertaken by the Board of Directors of the Company in pursuance of the recommendation of the CSR Committee and approved by the Board as per this policy.

• **CSR Committee** means Corporate Social Responsibility Committee constituted by the Board pursuant to section 135 of the Companies Act, 2013 and rules made there under.

• **Company** means Xanadu Realty Limited (Formerly Known As Xanadu Realty Limited)

• **Net Profit** means the net profit of the Company as per its financial statement prepared in accordance with the section 198 of the Companies Act, 2013 & other applicable provisions, but shall not include the followings, namely:-

1) Any profit arising from any overseas branch or branches of the Company, whether operated as a separate company or otherwise, and

2) 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.

Words and expressions used in this policy and not defined herein but defined under the Companies Act, 2013 shall have the same meanings respectively assigned to them.

Commitment

We are committed to:

- Continuous improvement in our Corporate and Social Responsibility (CSR) strategy.
- Encouraging our business partners to strive for matching performance.
- Acting in a socially responsible way.
- Supporting a number of local communities and social / charitable causes.
- Continually improving our performance and meeting all relevant legislation.
- Encouraging our staff to be mindful of the effect of their actions on any natural resource.

Purpose and Aims

- The purpose of the policy is to make clear to all stakeholders what we mean by CSR and how we propose to work towards achieving it. The CSR policy applies throughout all the activities undertaken in the organization and governs our approach to all our activities.

- In implementing this policy we aim to:

  - ❖ Be responsible.
  - ❖ Be an exemplar of good practice.

Eligible Areas of CSR under the Companies Act, 2013

- Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swatch Bharat Kosh set up by the Central Government for the promotion of Sanitation and making available safe drinking water;

- Promoting education, including special education and livelihood enhancement projects and employment enhancing vocation skills especially among children, women and elderly.

- Promoting Gender Equality, empowering Women, setting up Homes and Hostels for Women and Orphans, setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.

- 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 arts and handicrafts.

- Ensuring environmental sustainability ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set up by Central Government for rejuvenation of River Ganga.

- Measures for the benefit of armed forces veterans, war widows and their dependents.

- Training to promote rural sports, nationally recognized sports, Paralympics sports and Olympic sports.

- Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women.

- Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government.

- Rural development projects and Slum area Development.

- Contribution to Prime Minister Relief Fund or Chief Minister Relief fund.

- To contribute such other cause as may be permitted under provisions of Companies Act, 2013 and rules made there under.

Provided that, the CSR projects and programs or activities that benefit only the employees of the Company and their relatives shall not be considered as CSR activities.

Also, the CSR activities undertaken in India only will be taken into consideration, in order to satisfy the requirement of section 135 of the Companies Act 2013.

Implementation process:

Stage I: Constitution and composition of the CSR Committee

As per Section 135 of Companies Act 2013, constitution of CSR Committee is mandatory incase amount to be spent by the company exceeds Rs.50,00,000 or more.

The CSR initiatives/activities of the Company will be identified and initiated by the CSR Committee which shall comprise of 2 (two) or more members of Board.

The members of the CSR Committee shall elect one of them as the Chairman of the Committee. The CSR Committee shall recommend to the Board the amount of expenditure to be incurred by the Company on CSR activities and the Board will ensure that the activities as are included in the CSR Policy are undertaken by the Company subject to and in accordance with the provisions of section 135 of the Companies Act, 2013 and rules made there under (as amended from time to time).

Stage II: Scope of the CSR Committee

The CSR Committee shall be set up to:

- Formulate and recommend to the Board CSR Policy which shall indicate the activities to be undertaken by the Company as detailed in the Section 135 read Schedule VII to the Act and rules made there under from time to time.
- Recommend the amount of expenditure to be incurred on the activities referred to inthe CSR Policy.
- Monitor the CSR Policy from time to time.

Stage III: Corpus of Funds:

- The Company will constitute corpus of funds or earmark amount to be spent on CSR activities which will be utilized for the eligible CSR activities under the supervision and guidance of CSR Committee of the Board of Directors of the Company;
- The Company will contribute and spend at least 2% of the Average Net profits of the Company made during the three immediately preceding Financial Years or such higher amount as may be recommended by the CSR Committee from time to time in such projects / activities as may be determined by the CSR Committee in pursuance of this Policy Statement. If the Company contribute / spend less amount, the company reserves the right to spend more in subsequent year/s or to explain / report in the Directors Report.
- If the Company creates separate corpus, till the time of actual utilization of the funds lying in the corpus, if any, the same may be parked in such short term profitable avenues as may be decided by the CSR Committee from time to time.
- Any surplus arising out of the CSR projects / programs / activities or on parking of CSR funds in such profitable avenues as may be determined by the CSR Committee as aforesaid will not be merged with the Business profits of the Company and shall be exclusively used for the eligible CSR activities.
- If in case the Company fails to spend such amount, the Board shall, in its report made under clause (o) of sub-section (3) of section 134 of the companies act 2013, specify the reasons for not spending the prescribed amount.

Stage IV: Modalities of execution of CSR Projects and Utilization of Funds:

The modalities of the execution of the CSR projects or programs and their implementation along with the monitoring process of such projects or programs will be as decided by the CSR Committee. Broadly the CSR activities can be undertaken by the Company through any of the following mode:

- By contributing to the Registered Trust or the Registered Society having an established track record of the preceding three financial years for undertaking the eligible CSR activities;
- By contributing to the Prime Minister's National Relief Fund or Chief Ministers Relief Fund or any other fund set up by the Central Government for socio-economic

development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;

- By contributing to Swatch Bharat Kosh set up by the Central Government for the promotion of sanitation or by making contribution to the Clean Ganga Fund set up by Central Government for rejuvenation of River Ganga;

- Through the Company established for the Charitable and such other purposes under Section 25 of the Companies Act, 1956 or Section 8 of the Companies Act, 2013;

- By collaborating with such other Companies which is undertaking the same or similar CSR activities as may be decided by the CSR Committee of the Company from time to time for the purpose of having synergy of resources for the better social up liftment of the Society.

Stage V: Implementation Schedule:

- Each CSR contribution / activities / projects / spent will be undertaken in the supervision and guidance of CSR Committee of the Board.

- Unless the contribution be made in the Prime Minister's National Relief Fund, Swach Bharat Kosh, the Clean Ganga Fund or such other recognized Funds of Central Government or State Government, the CSR activities / projects will be undertaken in the phased manner as may be determined by the CSR Committee from time to time considering the nature of activity to be undertaken at the relevant point of time.

Stage VI: Compliance, Monitoring and Reporting:

- Each Director or CSR Committee member shall be responsible for ensuring that the principles set out in this policy shall be communicated to understood and observed by all employees and for ensuring compliance in their area of responsibility.

- When the CSR projects are undertaken by contributing the CSR Funds in the Registered Society or through Registered Trust or by undertaking a joined projects with any other Organization carrying on the same / similar CSR Activities, then the periodical follow up measures and /or periodical visit to such sites supported by the progress report as received from the said Society / Trust be placed before the CSR Committee;

- The report of the Board of Directors of the Company shall include CSR activities in the prescribed format and the Company shall also display the CSR policy on its official website, if any.

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