

Shalimar Corp Limited

Registered Address: 308, 3rd Floor Tulsiani Chambers , Nariman Point , Mumbai-400021

Corporate Office: 11th Floor, Shalimar Titanium, Vibhuti Khand , Gomti Nagar, Lucknow -226010

E-Mail : shalimar@shalimar.org ; Website : www.shalimarcorp.com ; Telephone : +91-522-4030444 ; CIN : U05001MH1988PLC195637

CORPORATE SOCIAL RESPONSIBILITY POLICY

1. CSR Philosophy

Shalimar Corp Limited (“SCL” or “the Company”) firmly believes in adopting the highest standards of organizational behavior and corporate values in order to consistently contribute to the Social, Economic and Environmental Development of the community in which it operates and creation of value for the nation.

SCL recognizes the community in which it operates as not just a stakeholder but the very purpose of its existence. SCL constantly endeavours to undertake business in a socially, ethically and environmentally responsible manner.

2. CSR Vision

SCL through its CSR initiatives will strive to enhance value creation in the society and the community in which it operates so as to promote its integrated and sustainable development.

3. CSR Policy

The Corporate Social Responsibility Policy (“CSR Policy”) adopted by the Company spells out Company’s its philosophy towards its social responsibilities; ongoing commitment to contribute to the economic and social development of the society and lays down the guidelines, framework and mechanism relating to the implementation, monitoring, reporting, disclosure, evaluation and assessment of projects, programmes and activities forming part of Company’s CSR.

4. Scope and Objective CSR Policy

4.1. SCL’s CSR Policy is framed to comply with the provisions of Section 135 of the Companies Act, 2013 (“the Act”) and the Rules (both as defined hereinafter) and shall apply to all CSR projects or programs undertaken by the Company in India, in relation to one or more activities outlined in Schedule VII of the Act.

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4.2. The Policy has been approved at the meeting of the Board of Directors held on December 01, 2014 and is effective from the said date .

4.3. The Policy, inter-alia, provides for the following:

- Establishment of framework for compliance with the provisions of Regulations to dedicate a percentage of the Company's profits for CSR activities
- Implementation of procedures for carrying out the CSR initiatives and reporting thereof
- Creation of opportunities for active participation in the CSR activities.

5. Definitions

- (i) "Act" means the Companies Act, 2013 (18 of 2013).
- (ii) "Board" means the Board of Directors of the Company.
- (iii) "CSR Co-ordinator" means the senior executive of the Company/holding/subsidiary company, nominated as such by Chairperson in writing who shall also be the ex-officio Secretary to the CSR Committee.
- (iv) "CSR Committee" means the committee of the Board of Directors constituted pursuant to Section 135(1) of the Act and the Rules.
- (v) "Rules" means the Companies (Corporate Social Responsibility Policy) Rules, 2014.

6. CSR Committee

6.1. The CSR Committee shall consist of 3 (three) directors, out of which at least 1 (one) director shall be independent director. The CSR Committee shall meet at least twice in a financial year and the quorum for CSR Committee meetings shall be 2 (two) members. Such other meetings of the Committee can be convened as and when deemed appropriate.

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- 6.2. The Committee members may attend the meeting physically or via such audio-visual means as permitted under the Act. The CSR Committee may call such employees(s), senior official(s) and / or other concerned persons, as it deems fit.
- 6.3. In terms of section 135 of the Companies Act, 2013 and the Rules made thereunder, the Board of Directors of the Company at its meeting held on November 10, 2014 has constituted the CSR Committee comprising of:

| Sl. No. | Name | Designation in Committee |
|---------|---------------------|--------------------------|
| 01 | Mr. Sanjay Seth | Chairman |
| 02 | Mr. Khalid Masood | Member |
| 03 | Mr. Rajendra Prasad | Member |

7. Functions of CSR Committee

The CSR Committee to, inter alia, carry out the following functions;

- (i) To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013 and the rules made thereunder.
- (ii) To recommend the amount of expenditure to be incurred on the CSR activities.
- (iii) To monitor the implementation of framework of CSR Policy.
- (iv) To carry out any other function as mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable, necessary or appropriate for performance of its duties.

8. CSR Activities

- 8.1. CSR programmes or projects to be undertaken by the Company in terms of the Policy (either new or on-going), shall relate to one or more activities listed in Schedule VII of the Act, as amended from time to time.
- 8.2. CSR expenditure shall include all expenditure including contribution to corpus, for projects or programmes relating to CSR activities approved by the Board on the recommendations of the CSR Committee, but shall not include any expenditure on any activity which does not fall within the purview of Schedule VII of the Act.

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9. Funding & Allocation

- 9.1. The Company shall allocate the following amounts towards its annual CSR corpus -
- (i) 2% of average net profits made during the three immediately preceding financial years, as prescribed under the Act and the Rules and calculated in accordance with Section 198 of the Act, or such other percentage as may be prescribed by the Central Government from time to time;
 - (ii) any income arising therefrom; and,
 - (iii) surplus arising out of CSR activities.
- 9.2. In the absence of Net Profits in any financial year, the Company shall endeavour to spend such feasible amount as it may decide.
- 9.3. The allocated CSR budget will be utilized for CSR activities undertaken within India, which are not:
- (i) exclusively for the benefit of employees of the Company or their family members; and/or,
 - (ii) undertaken in pursuance of normal course of business of the Company.
- 9.4. The Company shall endeavor to spend the entire amount of statutory minimum contribution limit in a financial year. In the event, the Company is unable to spend such amount in any given financial year, the Board shall specify the reasons for the same in its report to the shareholders in terms of Section 134(3)(o) of the Act.
- 9.5. The Company has an option to carry forward such un-spent money to next year by depositing it in a separate CSR Fund (Corpus) created by the company or to contribution to the corpus of a Trust / Society / Section 8 Companies etc., as long as they are created exclusively for undertaking CSR activities.

10. Powers for approval

- 10.1. CSR Co-ordinator shall assist/support the CSR Committee in identification, proposing, implementation and monitoring of CSR projects or programmes, in terms of the Policy.
- 10.2. The CSR projects or programmes will be identified by CSR Co-ordinator either suo-moto or on receipt of proposals/requests from internal & stakeholders e.g. district administration, local

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bodies, citizen's forums, central or state government, registered trusts, societies or other entities engaged in CSR related activities.

- 10.3. CSR Committee shall formulate its annual planned expenditure, for a financial year, for the CSR activities and submit the same for approval of the Board in the format prescribed above.
- 10.4. The Board shall, after taking into account the recommendations made by the CSR Committee, consider and approve, as it may consider appropriate.
- 10.5. The Board and/or CSR Committee may delegate the power(s)/authorize the CSR Co-ordinator and/or one or more of senior executives/officers of the Company/holding company/subsidiary company, as deemed fit and necessary, to execute, implement and monitor projects and programmes under the Policy.
- 10.6. The Board shall ensure that Company spends the requisite amounts specified under the Act on CSR activities, failing which it shall specify in its report the reasons for not spending the amount.

11. Mode of Implementation

- 11.1. CSR programs or projects under the Policy, will be implemented either –
 - (i) directly by the Company; or,
 - (ii) through any other Registered Trust, Society, Section 8 Company (i.e. a company incorporated under Section 8 of the Act), established by the holding, subsidiary and associate company of the Company; or,
 - (iii) through any other Registered Trust, Society or Section 8 Company, not being established by the holding, subsidiary and associate company of the Company, with an established track record of at least three years in carrying on activities in related areas; or,
 - (iv) in collaboration with other companies; or, combination of one or more of the above.
- 11.2. In case one or more CSR projects or programme(s) are undertaken in collaboration with any other company and/or society, trust or section 8 company, clear demarcation with respect to

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responsibility, contribution, implementation, monitoring etc. of each collaborator shall be established.

11.3. The time period for implementation of a particular CSR project or programme or activity shall depend on, amongst other things, its nature, extent of coverage, intended impact of the programme etc.

11.4. All CSR projects or programmes under the Policy shall be undertaken in India only, with due consideration and preference to local areas around area of operations of the Company.

12. Feedback & Monitoring

12.1. In order to ensure effective implementation of CSR projects or programmes, the CSR Committee while approving projects or programs to be undertaken by the Company pursuant to the Policy during a financial year, shall decide the implementation schedule and frame suitable project-specific monitoring mechanism. The CSR Co-ordinator and/or one or more of senior executives/officers of the Company/holding company/subsidiary company shall execute and implement, such implementation schedule and monitoring mechanism, respectively.

12.2. The CSR Co-ordinator shall submit a quarterly report to Chairperson, outlining the progress/update on on-going CSR programmes.

12.3. The CSR Co-ordinator will endeavor to obtain feedback from the beneficiaries on on-going CSR projects.

12.4. The Board's report of the Company shall contain an annual report on CSR containing the particulars prescribed by the Act and the Rules.

13. General

13.1. The Company shall take such necessary steps, as may be deemed necessary, for building CSR capacities of its own personnel and/or those of the implementing agencies engaged for CSR activities, through Institution(s) authorized in the said behalf, from time to time.

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- 13.2. The interpretation of the Chairperson of CSR Committee on the provisions of the Policy shall be final.
- 13.3. The Company reserves the right to amend, cancel or replace the Policy at any time, subject however, to the provisions of the Act and the Rules.
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**By Order of the Board of Directors
For Shalimar Corp Limited**

**Khalid Masood
(Director)
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India**