

# SAINIK FINANCE & INDUSTRIES LIMITED

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## Corporate Social Responsibility Policy

### 1. PREAMBLE :

Sainik Group does not grow by making financial profits only, they grow if they contribute consistently for the growth of the society and environment to which they belong. Sainik Finance & Industries Limited (“SFIL” or “the Company”) strongly believes in the theory of participative growth, enhancing societal /environment commitments. Corporate Social Responsibility (CSR) is a tool which can be used for sustainable development. SFIL recognizes this and intends to contribute to the social cause by making donations towards various charitable activities and supporting rural development and education initiatives by financing various activities like building of educational institutions, repair and maintenance of roads, installation of hand pumps and other accessories in villages etc.

With the applicability of the Companies Act, 2013 (“Act”) and the notification of Section 135 of the Act read with in Schedule VII to the Act as amended from time to time, dealing with the aspect of corporate social responsibility as also of the Rules laid down to such effect to the Act, which have come into force on the 1<sup>st</sup> day of April, 2014 (the CSR Rules), it has become mandatory for the corporate entities falling within the purview of the limits as to Networth or Turnover or Profitability as laid down in the said section read with the CSR Rules, to undertake any one or more of the activities as laid down thereunder, towards the discharge of their responsibility towards the society in general (the “Corporate Social Responsibility” or briefly “CSR”). The Company being a corporate entity falling within the purview of Section 135 of the Act read with CSR Rules, the Committee constituted by the Board of Directors of the Company (“Board”), has in exercise of its authority and discharge of its responsibility, formulated a CSR Policy, which has been approved by the Board as the Corporate Social Responsibility Policy of the Company, elaborated as under:

### 2. DEFINITIONS

- 1) Company: means Sainik Finance & Industries Limited
- 2) Corporate Social Responsibility Activities (CSR Activities) : mean any one or more of the following objectives / purposes, being pursued / undertaken/ to be undertaken by the Company, either directly or in collaboration with other companies or through registered trust or society or a company set up for the purpose of undertaking similar programs or projects, within the purview of CSR Rules:
  - i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach 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<sup>4</sup>[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;
  - 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 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) contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government.
  - 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) Any other activity, as may be notified by the Central Government from time to time.
- 3) Committee means the Corporate Social Responsibility Committee as constituted for the purpose, by the Board of Directors of the Company.
  - 4) Net Profit means the net profit computed for a financial year in accordance with the applicable provisions of the Act, not being profit arising from any overseas branch of the Company and/or any dividend income accruing to the Company in any financial year excluding the surplus arising out of CSR Activities, if any. However, the purposes of section 135 of the Act, "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.

### **3. CSR CONTRIBUTION**

The contribution by the Company in any financial year towards CSR Activities shall be a minimum of 2% of its average Net Profits for three immediately preceding financial years.

#### **4. FUNCTIONING OF THE COMMITTEE**

The Committee towards effectuation and implementation of the CSR Activities shall identify and recommend the specific CSR activity (ies) to the Board of Directors of the Company (Board) for its consideration and approval. Based on the approval of the Board, required funds shall be infused into the Board approved CSR activities. The same shall constitute the CSR Contribution of the Company for the relevant financial year. The Committee shall institute a transparent monitoring mechanism for implementation of the CSR activities, towards which end, progress updates on CSR activities undertaken, shall be submitted to the Board, from time to time.

#### **5. TREATMENT OF SURPLUS ARISING OUT OF CSR ACTIVITIES**

It is hereby explicitly stated that any surplus arising out of the CSR Activities shall not form a part of the business profits of the Company.

#### **6. OVERALL IMPROVEMENT IN FUNCTIONING AND IN DISCHARGE OF CSR**

The Committee shall from time to time explore the ways and means whereby improvements that need to be brought about towards the discharge of CSR by the Company are identified and steps taken to ensure that measures necessary to effectuate the areas of improvement so identified are taken in the right earnest.

#### **7. GENERAL**

Any term or aspect not specifically defined or set out in this Policy shall be construed to mean what is laid down in respect thereof under the Act or the CSR Rules

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