

# CORPORATE SOCIAL RESPONSIBILITY POLICY

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## 1. PREFACE

### ABOUT THE COMPANY

LICHFL Care Homes Limited (“LICHFL CH” or “the Company”), a wholly owned subsidiary of LIC Housing Finance Ltd. (“LIC HFL” or “the parent Company”), was incorporated on September 11, 2001, with the basic purpose of establishing and operating assisted living community centers for elderly citizens in major cities across India. With the vision of LIC of India, the Company emerges to discharge a great Corporate Social Responsibility (“CSR”). The Company has been working towards ensuring comfort, privacy, and security to the elderly citizens along with preserving their dignity and independence. Company’s pilot project at Bangalore, inaugurated in 2006, is an eco-friendly campus. LICHFL Care Homes Limited promotes shelter & freedom from routine chores, social interaction, and harmonious companionship among residents and provides comprehensive services with 24 x 7 securities. Company’s activities has played a pivotal role in improving lives of the elderly communities and societies at large and in & around our operations with an objective to energise, involve and enable them to realise their potential.

Company is first public sector corporate unit ventures to convert a strong social need to a business opportunity, with discharge of Corporate Social Responsibility.

The activities performed by the Company is in nature of CSR but it does not cover under the activities prescribed in Schedule VII of the Companies Act, 2013 and rules made thereunder.

## 2. DEFINITIONS

- 2.1. **Corporate Social Responsibility (“CSR”)** means and includes but is not limited to:  
Projects or programs relating to activities specified in Schedule VII to the Companies Act, 2013.
- 2.2. **CSR Committee** means the Corporate Social Responsibility Committee of the Board referred to in Section 135 of the Act.
- 2.3. **CSR Policy** relates to the activities to be undertaken by the Company as specified in Schedule VII to the Act and the expenditure thereon.
- 2.4. **Net Profit** means the net profit of the Company as per its financial statement prepared in accordance with applicable provisions of the Companies Act (in force or previously in force).

Provided that net profit in respect of a financial year for which the relevant financial statements were prepared in accordance with the provisions of the Companies Act, 1956 shall not be required to be re- calculated in accordance with the provisions of the Act.

For clarification of doubts, other terms specified or used in this CSR policy shall be interpreted in the context as defined under Companies Act, 2013 and rules made thereunder.

### 3. OBJECTIVES & VISION

Our vision is to actively contribute towards social and economic development of the poor irrespective of caste, creed and religion in areas around which we operate. In doing, we could bring a dignified and meaningful life to the poor and sense of gratification to us by making a difference in their lives.

The main objective of LICHFL CH's CSR policy is :

- ⌘ To directly/indirectly undertake projects/programs which will enhance the quality of life and economic well-being of the communities with special emphasis on the elderly citizens in and around our projects and society at large.
- ⌘ Embrace responsibility for the Company's actions and encourage a positive impact through its activities on hunger, poverty, malnutrition, environment, communities, stakeholders and the society.

### 4. FOCUS & SCOPE OF ACTIVITIES

The company has identified the fields it would like to focus its energy viz. Education, Health, Livelihood, Infrastructure development, Social development, Environment Sustainability, Ecological Balance and Prime Minister's Relief Fund.

Education and Health Care projects would be the top priority of the Company during the implementation year i.e. 2015-16.

The basic plan to carry CSR activities are as follows:

<b>EDUCATION</b>	<p>In Education, our endeavour would be to spark the desire for learning and knowledge at every stage through :</p> <ul style="list-style-type: none"> <li>⌘ Help in setting up Formal schools with proper sanitation,</li> <li>⌘ Balwadis for elementary education,</li> <li>⌘ Free distribution of text books and note books,</li> <li>⌘ Free distribution of school uniforms, school bags, foot wear etc.,</li> <li>⌘ Girl child education,</li> <li>⌘ Adult education programmes.</li> </ul>
<b>HEALTH CARE</b>	<p>In Health Care our goal is to render quality health care facilities to people living in the villages and elsewhere through</p>

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	<ul style="list-style-type: none"> <li>☞ Primary health care centres,</li> <li>☞ Mother and Child care projects.</li> <li>☞ Immunisation programmes with a thrust on polio eradication,</li> <li>☞ Health care for visually impaired, and physically challenged,</li> <li>☞ Preventive health through awareness programmes and preventing malnutrition among infants and adults.</li> <li>☞ Hospice and palliative care projects for the elderly citizens</li> </ul>
<b>SUSTAINABLE LIVELIHOOD</b>	<p>In Sustainable Livelihood project, the Company would aim at providing livelihood in a locally appropriate and environmentally sustainable manner through</p> <ul style="list-style-type: none"> <li>☞ Formation of Self Help Group</li> <li>☞ Groups for women empowerment</li> <li>☞ Agriculture development through sustainable agricultural practices, organic farming, designing vermin compost</li> <li>☞ Making farmer aware of their legitimate margin of their produce and to free them from being exploited by market intermediaries</li> <li>☞ Watershed development</li> <li>☞ Partnership with Industrial / Vocational Training Institutes.</li> </ul>
<b>INFRASTRUCTURE DEVELOPMENT</b>	<p>In Infrastructure Development project, the Company would endeavour to set up essential services that form the foundation of sustainable development through</p> <ul style="list-style-type: none"> <li>☞ Basic infrastructure facilities</li> <li>☞ Housing facilities for elderly citizens</li> <li>☞ Safe drinking water</li> <li>☞ Sanitation &amp; hygiene</li> <li>☞ Renewable sources of energy.</li> </ul>
<b>ENVIRONMENT SUSTAINABILITY</b>	<p>To take steps or measures in order to make Environment Sustainable (project) we would advocate and support</p> <ul style="list-style-type: none"> <li>☞ Plantation of trees</li> <li>☞ Making people aware of hazards of use of plastic</li> <li>☞ Encouraging to go green through less usage of paper</li> <li>☞ Awareness programmes on hazards of usage of pesticides, chemical and artificial colours and agents in food and drinks.</li> <li>☞ Recycling of waste &amp; sewage water.</li> </ul>
<b>ECOLOGICAL BALANCE</b>	<p>To take steps or measures in order to maintain Ecological Balance (project) we would advocate and support</p> <ul style="list-style-type: none"> <li>☞ Awareness programmes on cleanliness of ponds and rivers</li> <li>☞ Awareness programmes on unauthorized mining, land grab</li> <li>☞ Awareness programmes on increasing ground water level</li> </ul>

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	<ul style="list-style-type: none"> <li>☞ Awareness programmes on increasing number of forest areas</li> </ul>
<b>PRIME MINISTER'S RELIEF FUND</b>	To contribute towards Prime Minister's Relief fund which would help in providing assistance to people affected by various natural calamities such as <ul style="list-style-type: none"> <li>☞ Earthquakes</li> <li>☞ Floods</li> <li>☞ Tsunami</li> <li>☞ Cyclones.</li> </ul>

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The Company will review the sectors from time to time and explore opportunities to focus on the other sectors but within the limits specified in Schedule VII of the Companies Act, 2013.

The operating provisions of the rules under CSR policy mandates a company could also conduct / implement its CSR programmes through Trusts, Societies or Section 8 Companies which are not-for-profit organisations that are not set up by the Company itself. Such spends may be included as part of its prescribed CSR spend only if such organisations have an established track record of at least three years in carrying out activities in related areas. Further, Companies could also collaborate or pool resources with other Companies for undertaking projects or programmes or CSR activities and any expenditure incurred on such collaborative efforts would qualify for computing the CSR spending.

The Board shall decide whether to undertake its CSR activities approved by the CSR Committee, through a registered trust or a registered society or a Company established under section 8 of the Act by the company, either singly or along with its holding or subsidiary or associate company, or along with any other company or holding or subsidiary or associate company of such other company, or otherwise provided that – If such trust, society or company is not established by the company, either singly or along with its holding or subsidiary or associate company, or along with any other company or holding or subsidiary or associate company of such other company, it shall have an established track record of three years in undertaking similar programs or projects/activities.

## 5. LOCATION OF CSR EFFORTS

The CSR Committee will decide on the locations for CSR activities. As per the provisions of Companies Act, 2013 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.

## 6. CORPUS

At least 2% of the average net profit in terms of section 135(5) of the Companies Act, 2013 would be earmarked for CSR activities. A specific budget would be allocated to each project (education, health care,

infrastructure development, social change, and livelihood) of CSR activities after taking into consideration various parameters. The company would spend in every financial year at least 2% of the average net profit and should any project have any shortfall of funds, then that project would borrow or try source its fund from other projects which has surplus.

The Surplus arising out of the CSR projects or programs or activities shall not form part of the Business Profit of the Company.

## 7. INFORMATION DISSEMINATION

The Company's engagement in this domain would be disseminated on annual reports and through the media if need be.

## 8. CSR COMMITTEE

### 8.1. CONSTITUTION

Pursuant to the provisions of Section 135 of the Act, the Board of Directors shall constitute the Corporate Social Responsibility (CSR) Committee. The Members of CSR shall be appointed by the Board of Directors of the Company which must consist of three or more Directors out of which at least one Director shall be an Independent Director.

### 8.2. ROLES & RESPONSIBILITIES OF COMMITTEES

Following shall be the Roles & Responsibilities of the CSR Committee:

- ☞ Recommend CSR activities as stated under Schedule VII of the Act
  
- ☞ Approve to undertake CSR activities in collaboration with LIC HFL Group companies/LIC Associate Companies/other Companies/firms/NGOs etc. and to separately report the same in accordance with the CSR Rules
  
- ☞ Recommend the CSR Budget
  
- ☞ Spend the allocated CSR amount on the CSR activities once it is approved by the Board of Directors of the Company in accordance with the Act and the CSR Rules
  
- ☞ Create transparent monitoring mechanism for implementation of CSR Initiatives in India
  
- ☞ Submit the Reports to the Board in respect of the CSR activities undertaken by the Company
  
- ☞ Monitor and review CSR Policy from time to time and provide necessary suggestions for addition/deletion/modification in the same.

- ⌘ Authorize executives of the Company to attend the CSR Committee Meetings
- ⌘ Authorise Director(s) / member(s) of CSR Committee to implement the CSR activity approved by the Company, spend money for that purpose and to represent the Company in matters concerned therewith or incidental thereto.

### **8.3. MEETINGS OF CSR COMMITTEE**

The CSR Committee shall meet atleast once in a year. Members of the CSR Committee can agree mutually regarding time and place for the said meetings. The Members of the Committee may participate in the meeting either in person or through video conferencing or other audio visual means in accordance with the provisions of the Companies Act, 2013 and rules made thereunder from time to time. Any person other than member of CSR Committee may also attend the meeting of the Committee subject to approval of the Chairman of the Committee.

### **8.4. QUORUM**

Quorum of CSR Committee meetings shall be two (2) members personally present at the meeting. For clarification of doubt a member participating through video conferencing or other audio visual means shall also be counted as present for the purpose of the quorum.

### **8.5. CHAIRMAN**

The Chairman of the Committee shall be the person designated by the Board of Directors at the time of Constitution of the Committee. In the absence of the Chairman during the meeting, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman of that meeting.

### **8.6. SECRETARY**

The Company Secretary of the Company shall act as Secretary of the Committee.

### **8.7. MINUTES OF CSR COMMITTEE**

Proceedings of all meetings shall be minuted and signed by the Chairman of the meeting or Chairman of the next succeeding meeting and shall be tabled at the subsequent Board and Committee meeting.

## **9. CSR MONITORING & REPORTING**

### **9.1. CSR MONITORING**

In compliance with the Act and to ensure funds spent on CSR Activities are creating the desired impact on the ground, a comprehensive Monitoring and Reporting framework should be established.

The CSR Committee shall monitor the implementation of the CSR Policy through periodic reviews of the CSR activities.



## 9.2. CSR EXPENDITURE

The CSR activities undertaken in India only shall amount to CSR Expenditure.

CSR Expenditure shall include all expenditure including contribution to approved funds (recognised by the Govt.) for CSR activities approved by the Board on the recommendation of the CSR Committee but does not include any expenditure on an item not in conformity or not in line with activities which fall within the purview of Schedule VII of the Act.

## 9.3. CSR REPORTING

The Board Report of a Company shall include in its Annual Report on CSR containing particulars specified in Annexure to the CSR Rules as per the prescribed format.

As per Section 135 of the Act, Board shall specify the reasons for under spending the CSR amount in the Board's Report, if any.

# 10. ROLE OF THE BOARD

- 10.1. The Board shall approve the CSR Policy for the Company and amend the same from time to time as per the requirement of the Companies Act, 2013 and rules made in this regard.
- 10.2. The Board shall provide guidance to the Company in matters related to CSR activities.
- 10.3. The Board shall ensure that the CSR activities included in this Corporate Social Responsibility Policy are undertaken by the Company.
- 10.4. The Board shall ensure that in each financial year the Company spends at least amount specified in corpus of this CSR policy.

# 11. MISCELLANEOUS

This policy shall be updated from time to time, by the Company in accordance with the amendments, if any, to provisions / rules / regulations of the Companies Act, 2013 or any other applicable enactment for the time being in force.