CORPORATE SOCIAL RESPONSIBILITY POLICY

Purpose:
LIC Housing Finance Limited (hereinafter referred as “the Company”) recognizes its obligation to the society and its future generations and the importance of utilization of a humble portion of the wealth created in pursuit of business growth towards community development. Therefore, the Company adopted the Corporate Social Responsibility Policy for fulfilling its commitments by laying down the focus areas for contributions, mechanism for implementation, setting targets and corpus, and monitoring the projects/activities chosen.

Our Vision:
To actively contribute towards social and economic development of the underprivileged/economically backward section of the society irrespective of gender, caste, creed and religion in areas around which we operate. In doing so, we could bring a dignified and meaningful life to the poor and sense of gratification to ourselves by making a difference in their lives.

Definitions:
(a) “Board" means the Board of Directors of the Company
(b) “Committee” means the Corporates Social Responsibility Committee of the Board formed as per Section 135 of the Companies Act.
(c) “Corporate Social Responsibility (thereinafter referred to as ‘CSR’) Activities” means and includes the projects or programs specified under the focus areas of CSR policy.
(d) “Financial Year” means the period ending on 31st March every year.
(e) “Policy” refers to the CSR Policy as reviewed by the Committee and approved by the Board from time to time.

Focus Areas:
The Company has identified the fields it would like to focus its efforts and energy on,
which include, Education, Health, Livelihood, Infrastructure Development, Social Development, Environment Sustainability, Ecological Balance and Prime Minister’s Relief Fund including Swachh Bharat Kosh. All the activities shall be for the benefit of India only. Education and Health Care projects would be the top priority of the Company during the implementation financial year i.e. 2017-2018.

In Education, our endeavor shall be to eradicate poverty in the long run and to spark the desire for learning and knowledge at every stage through

- Help in setting up formal schools with proper sanitation,
- Balwadis for elementary education,
- Free distribution of text books and note books,
- Free distribution of school uniforms, school bags, foot wears etc,
- Girl child education,
- Capital expense in setting public libraries
- Special education and employment enhancing vocation skills.

In Health Care, our goal is to render quality health care facilities to people, living in the villages and elsewhere, who are underprivileged/economically backward, through

- Primary health care centres,
- Mother and Child care projects.
- Immunization programmes with a thrust on polio eradication,
- Health care for differently abled such as visually impaired, physically challenged, etc
- Health care in case of major diseases such as cancer, tumor, AIDs, leprosy, tuberculosis and the like.
- Preventive health care through awareness programmes and preventing malnutrition among infants and adults.
- Food Centres for eradicating hunger and malnutrition

In Sustainable Livelihood project, our endeavor would be development of rural areas mainly and also would aim at providing livelihood in a locally appropriate and environmentally sustainable manner through

- Formation of Self Help Group
- Groups for women empowerment
- Agriculture development through sustainable agricultural practices, organic farming, designing vermin compost, etc.
- Create awareness in farmers of their legitimate margin of their produce and to free them from being exploited by market intermediaries
- Support towards local tribal artisans, craftsmen, etc. for preserving local tribal art and culture.
- Watershed development
- Partnership with Industrial / Vocational Training Institutes.

In Infrastructure Development project, the Company would strive to set up essential services that form the foundation of sustainable development through
- Basic infrastructure facilities
- Housing facilities
- Hostel facilities for orphans, and underprivileged students
- Safe drinking water
- Sanitation and hygiene facilities
- Rehabilitation/inpatient facilities for aged people including abandoned aged people.
- Facilities for generating renewable sources of energy.

To bring about Social Change (project), we would advocate and support
- Dowry less marriage
- Widow re-marriage
- Mass marriage
- Awareness programmes on anti-social issues
- De-addiction campaigns and programmes

To take steps or measures in order to make environment sustainable (project), we would advocate and support
- Plantation of trees
- Creating awareness on the hazards of using plastic
- Encouraging to go green through less usage of paper
- Awareness programmes on hazards of usage of pesticides, chemical and artificial colours and agents in food and drinks.
- Preservation and protection of flora and fauna
- Conversation and maintaining quality of natural resources.

To take steps or measures in order to maintain ecological balance (project) we would advocate and support
- Awareness programmes on cleanliness of ponds, rivers etc
- Awareness programmes on unauthorized mining, land grab etc
- Awareness programmes on increasing ground water level
- Awareness programmes on increasing number of forest areas

To honour the efforts and contributions made by the armed forces, the Company would strive in providing assistance and support to programmes which benefit the armed forces veterans, war widows and their dependents, including the dependents of armed forces that
The contribution made towards each project considered for sanction shall be limited to an amount of Rs. 5 Crores. The projects would be assessed under the agreed strategy and would be monitored every quarter, measured against targets and budgets. Wherever necessary, midcourse corrections would be effected.

Responsibilities of the Committee

The responsibilities of the Committee include:

(a) Review of the Policy once in a financial year
(b) Approval of CSR projects and the amount of expenditure
(c) Monitor the CSR projects from time to time and also appoint an impact analysis agency for the purpose of monitoring.

Organizational mechanism

As the Company has no formal procedure and experience related to the above fields for social cause, it would be very pertinent if the Company could explore the possibility of tie-up with Registered Trust / Foundation / NGO / Society for implementation of CSR projects.
programmes and work out modalities of jointly fulfilling CSR. The modalities would also include monitoring mechanism to ensure that the allocation is spent for the intended purpose only. The operating provisions of the rules under the policy mandates a company could also conduct /implement its CSR programmes through Trusts, Societies or Section 8 companies which are not-for-profit organizations that are not set up by the company itself. Such spends may be included as part of its prescribed CSR spend only if such organizations 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.

In order to ensure coverage to all the areas the Company is currently operating in, the Company shall take the assistance of our operating offices for procuring CSR proposals and monitoring the organizations which are selected for implementation the CSR activities.

**Benefits:**

a) It is an opportunity for Company to create or shore up a pack of intangibles benefits such as, goodwill, reputation, brand image, trust or the capacity to innovate, and to build partnerships, which are recognized as critical drivers in value creation in the current complex and dynamic business environment.

b) CSR activities would transform our employees into better citizens at their homes, and in the communities they live in. It would make them better contributors to the Company as well, in their respective roles - in the office, in the field with customers and stakeholders and these employees would become source of innovation and could create an the competitive edge for the Company.

d) A vibrant CSR culture would lead to greater corporate awareness and sensitivity to issues that have a bearing on sustainable development on climate change, bio-diversity, and resource extraction and also helps to strive our best to convert India from a developing country to a developed one.

**Corpus**

As per Section 135 of the Companies Act, 2013, two percent of the average net profit would be year marked for CSR activities. A specific budget would be allocated to each project (education, health care, infrastructure development, social change, livelihood, etc.) of CSR activities after taking into consideration various parameters. The Company would spend in every financial year at least two percent of the average net profit of preceding three financial years. The average net profit shall be calculated in accordance with the provisions of Section 198 of the Companies Act, 2013 read along with the Rule 2 of The
Companies (Corporate Social Responsibility) Rules, 2014. In case, any project have any shortfall of funds, then that project would borrow or try source its fund from other projects which has surplus.

Register of NGOs
The Company shall maintain a register containing the information pertaining to the NGOs for the purpose of reference for the potential CSR support.

Information dissemination
The Company's engagement in this domain would be disseminated on its website, annual reports and through the media, if required.

Management Commitment
Our Board, our management and all of our employees would subscribe to the philosophy of concern and care. We believe that we have a mission to walk on the path of generosity and compassion in order to make a difference in the lives of the poor and society at large, including the future generations. This would be the cornerstone of our policy.

Alternative could be to explore the possibility of tie-up with our parent organisation i.e. LIC of India which also fulfills its CSR through Golden Jubilee Foundation via a scheme of ‘LIC Golden Jubilee Scholarship’ for students belonging to the economically weaker families for pursuing higher studies.

Benefits:

a) If the Company donates to Registered Trust like Rama Krishna Mission which is registered with Charity Commissioner, then the amount of donation will qualify for deduction under section 35AC of the Income tax Act, 1961.

b) Further, apart from tax point of view, it is an opportunity for company to create or shore up a pack of intangibles – reputation, brand image, trust or the capacity to innovate, to build partnerships – all recognised as critical drivers of value creation in today’s complex and fluid business environment.

c) CSR activities would transform employees into better citizens at their homes, and in the communities they live in. It would make them better workers and managers, on the shop
floor, in the office, in the field with customers and stakeholders and these employees would become source of innovation and could form the competitive advantage of companies.

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