

Corporate Social Responsibility Policy

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Confidentiality Clause:

All information held about the procedure or in connection with the procedure and any of the above is to be regarded as confidential. One will not at any time during the tenure of employment or afterward, disclose to any person any information as to the business, dealings, practice, accounts, finances, trading, software, know-how, affairs of the procedure, or otherwise connected with the procedure. Any breach of this clause would constitute very serious disciplinary action.

CORPORATE SOCIAL RESPONSIBILITY POLICY

- **Title:**

This Policy is called 'Corporate Social Responsibility Policy'.

- a. **Definitions:**

- 1) **"Act"** shall mean the Companies Act, 2013 including any modifications, amendments or re-enactment thereof.
- 2) **"Rules"** shall mean the Companies (Corporate Social Responsibility) Rules, 2014, including any modifications, amendments or re-enactment thereof.
- 3) **"CSR"** shall mean Corporate Social Responsibility.
- 4) **"Financial Year"** shall mean the period beginning from 1st April of every year to 31st March of the succeeding year.
- 5) **"Net Profits"** shall mean the net profits of the Company as defined under the Act and the Rules based on which a specific percentage for CSR expenditure has to be calculated.
- 6) **"Company"** means LIC Mutual Fund Asset Management Limited
- 7) **"Board"** means the Board of Directors of the Company.
- 8) **"Approved Budget"** shall mean the total budget as approved by the Board of the Company, which is to be spent or utilized for CSR activities.
- 9) **"Annual Plan"** shall mean the annual plan for CSR expenditure for the financial year.
- 10) **"CSR Committee"** shall mean the Corporate Social Responsibility Committee as constituted by the Board of Directors of the Company in accordance with the Act and the Rules made thereunder, comprising of two or more Members.
- 11) **"CSR Policy"** shall mean the Corporate Social Responsibility Policy of the Company.

- 12) **“CSR Activities”** shall mean all the Corporate Social Responsibility activities /programs / initiatives of the Company, either ongoing or new specified in Schedule VII to the Act (as amended from time to time), as approved by the Board.
- 13) **“CSR Expenditure”** shall mean all CSR expenditure as approved by Board of Directors.
- 14) **“CSR provisions”** means the regulatory provisions governing the CSR activities including the relevant section, rules and schedule under the Companies Act, 2013 or any other act or law as is applicable from time to time.

b. The Philosophy:

The current CSR Activity proposed to be undertaken is subjected to improve quality of life for all our communities through integrated and sustainable development in every possible way.

The betterment of society is not a job to be left to a few. It's a responsibility to be shared by all. Corporate Social responsibility is now one of the core objectives of the Company besides the other main objectives. The Company intends to do CSR activities /programs, either ongoing or new, in the areas as specified in Schedule VII to the Act (as amended from time to time) and as approved by the Board of Directors of the Company. Welfare measures for the community at large so as to ensure the poorer section of society derives the maximum benefit.

It has always been the endeavor of the Company to be at the forefront with regards to Social and Environmental responsibility. As a responsible corporate citizen, we aim to contribute to social and environmental causes on a regular basis. For us, Corporate Social Responsibility (CSR) is an added opportunity to bring value to our stakeholder's lives and in every small possible way to bring about a difference that we all want to see and be.

c. Objective:

The main objective of CSR policy is to lay down guidelines for the Companies to make CSR a key business process for sustainable development for the Society. It aims at supplementing the role of the Government in enhancing welfare measures of the society based on the immediate and long term social and environmental consequences of their activities. Company will act as a good corporate citizen, subscribing to the principles of global impact for implementation.

d. Scope and Applicability:

This Policy shall be applicable to all CSR initiatives and activities /programs, either ongoing or new in the areas, as specified in Schedule VII of the Act (as amended from time to time), by the Company for the benefit of the different segments of the society.

e. Conditions and Restrictions for CSR Activities:

The Board of Directors shall be governed by the following conditions and restrictions while undertaking any CSR projects/programmes/activities:

- The CSR projects/programmes/activities undertaken by the Company as per this policy shall exclude activities undertaken in pursuance of its normal business.
- The CSR projects/programmes/activities shall be undertaken in India only except for training of Indian sports personnel outside India who is representing any State or Union Territory at national level or India at international level.
- The CSR projects/programmes/activities benefiting employees of the Company as defined in clause (k) of section 2 of the Code on Wages, 2019.
- Contribution of any amount directly or indirectly to any political party, front or ideology under Section 182, shall not be considered and not qualify as CSR expenditure.
- The surplus, if any, arising out of the CSR projects/programmes/activities shall not form part of the business profit of the Company.
- Activities supported by the Company on sponsorship basis for deriving marketing benefits for its products or services shall not form part of CSR expenditure.
- Activities carried out for fulfilment of any other statutory obligations under any law in force in India shall not form part of CSR expenditure.
- The CSR projects/programmes/activities for the benefit of any particular religion, religious belief or religious sect or any particular caste or community.

f. Corporate Social Responsibility (CSR) principles for Allocation, Selection, and Monitoring of activities:

- **Allocation of funds:**

The Company shall spend not less than 2% of its average net profits for the immediately preceding three financial years or such other minimum amount as specified under the CSR Provisions.

Provided further that the allocation of the funds for CSR activities shall not be at the cost of or in place / stead of the statutory / contractual obligations of the Company towards the government, banks and financial institutions.

If the Company spends any amount over and above such 2% of average net profits, the same is to be considered as excess CSR expenditure which can be set-off in the immediate succeeding three financial years subject to the conditions as prescribed under the Act.

In order to compute whether the Company has under spent or over spent, it shall consider the following:

1. Project Cost – it shall include designing, implementation, monitoring and evaluation cost incurred directly or indirectly on the project.
2. Administrative Overheads – to ensure that such expenses shall not exceed 5% of the total CSR expenditure of the Company for the financial year. Further, these expenses would not include expenses incurred by the Company towards designing, implementation, monitoring and evaluation.

- **Selection of projects/ activities:**

The Board of Directors will decide the mode of execution of such activities /projects i.e. whether such activities will be carried out by a registered and approved trust or society or a company with an established track record of not less than three years in undertaking similar programs or projects or they will be carried out by team of persons specifically formed for such purpose(s) or such other mode as is within the scope of the CSR provisions and most suitable for execution of that particular activity / project. If the activity/project is decided to be carried through Implementing Agency, the same should meet the statutory eligibility criteria laid down under the Companies Act, 2013.

The Board of Directors may also decide to contribute the entire or part of the amount to any fund as is within the scope of CSR Provisions.

- **Reporting & Monitoring:**

In case of closed ended projects / activities, the Board of Directors will, in consultation with the trust / society / team carrying out the implementation of the CSR activity decide about the time limit within which the CSR activity / project is to be completed.

Depending upon the time period for completion of the activity / project, the reporting frequency can be determined. For instance, for shorter project / activity (say for one year or less) the reporting frequency may be quarterly or even monthly. For a project / activity of a medium duration (say for two to three years) the reporting frequency may be half yearly. The reporting frequency may be yearly for a project or activity of a longer duration (say three years or more). In case of continuous CSR activity, the frequency of reporting shall be half yearly.

In case of contribution to certain funds, it may not be possible to insist on segregated reporting.

In such a case, the reason shall be recorded by the Board of Directors.

The implementing agency shall report the progress of the project/ expenditure periodically to the Company.

Wherever feasible, the Board of Directors may depute one of the senior employees of the Company to make site visits, check the records of the implementing agency or undertake any other due diligence activity to ensure the veracity of the information reported by the implementing agency and / or generally to verify the progress of the CSR activities.

- **Guiding Principles for Annual Action Plan:**

The Company shall prepare an Annual Action plan of the Company to identify the activities and the CSR expenditure to be spent during the year which shall include the details as mentioned in the rules.

Further, the guiding principles required to formulate the Annual Action Plan are as follows:

- a. CSR programs shall not include activities as restricted under the amended CSR Rules.

- b. The preference for CSR programs is to be given by the Company to local areas and areas around its business operations.
- c. The CSR activities may be carried out directly or through implementing agency/ies.
- d. Payments to implementing agencies or to vendors should be milestone based.
- e. All the guiding principles as required to be followed for implementing and monitoring the CSR Activities shall also be followed while formulating the Annual Action Plan.
- f. Action plan shall be simple, action oriented, measurable, relevant and time bound.

During any financial year, the Annual Action Plan of the Company may be modified to include any unbudgeted expenditure, either on account of new project(s) or due to an increase in the outlay for approved project(s).

Subject to the provisions of the Act, the Company may also utilize its CSR spend towards creation or acquisition of a capital asset.

- **Constitution of the CSR committee:**

In terms of Section 135 of the Companies Act, 2013 (hereinafter referred to as 'the Act') read with the applicable rules thereon and any statutory amendments thereto, the CSR obligation of the Company currently does not exceed INR 50 lakhs, hence in accordance with the aforementioned provisions of the Act, the Board of Directors of the Company will be responsible to discharge the functions of the CSR Committee. As and when the CSR obligation exceeds the limits as mentioned under Section 135 (9) of the Act, the Board shall constitute a CSR Committee.

- **CSR Initiatives and programs:**

The Board of Directors of the Company will, keeping in view, the provisions of the Companies Act, 2013 and The Companies (Corporate Social Responsibility Policy) Rules, 2014, any amendment(s) thereto and also pursuant to **Schedule VII** of the Act recommend and proceed to carry out any of the following activities from time to time as the Board of Directors deems fit:

- 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 centers 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 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 of public libraries ; promotion and development of traditional arts and handicrafts;
- VI. measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;
- VII. Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic Sports;
- VIII. contribution to the prime minister's national relief fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES 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. (a) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and

(b) Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defence Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs)

X. Rural Development Projects.

- **Fields of Operation of CSR Activities:**

Within the framework of the CSR provisions, especially Schedule VII of the Companies Act, 2013, the Board of Directors shall have full authority to choose and implement CSR activities/ projects / programs even if such activities / projects /programs do not fall within the preferred fields as mentioned above.

- **Removal of Difficulties:**

- Any term not defined in the CSR Policy shall have the meaning as prescribed to it under any of the CSR Provisions.
- The Board shall have power to amend / modify any of the clauses of the CSR Policy and they may do so either at a Board Meeting or by way of a circular resolution.
- The interpretation of any of the terms / clauses etc. of the CSR Policy shall rest with the Board of Directors of the Company.

- **Publication of the CSR Policy:**

As per the CSR Rules, the contents of the CSR Policy shall be included in the Directors' Report and the same shall be displayed on the Company's website, if any.

- **Policy Review & Future Amendment:**

The Board of Directors may annually review its CSR Policy and make suitable changes as may be required.