

ANNUAL REPORT ON CSR ACTIVITIES

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

A. CSR Policy

The CSR Policy of the Company inter-alia specifies the broad areas of CSR activities that could be undertaken by the Company, approach and process for undertaking CSR projects and the monitoring mechanism.

The Policy is available on the website of the Company - www.hdfcergo.com.

B. Organization setup

The CSR projects are implemented under the guidance of the CSR Committee of Directors, which presently comprises six (6) Directors. The Company also has a Sub-Committee of CSR (SC-CSR) comprising of the Senior Management team including Executive Directors.

The terms of reference of the CSR Committee inter-alia includes:

- (i) Formulate and recommend CSR policy to the Board for approval,
- (ii) Recommend for approval of the Board, the amount of expenditure to be incurred on CSR activities in a financial year along with projects to be undertaken earmarking funds for broad area wise projects,
- (iii) Monitor from time to time the implementation of the CSR projects undertaken by the Company. Evaluation and reporting of projects and programs implemented to the Board of Directors.

C. Scope of activities

The CSR activities of the Company are as per the provisions of Schedule VII of the Companies Act, 2013 ('Act').

i. Geographical Span of CSR Projects

The CSR activities are taken up primarily in and around areas near HDFC ERGO's places of business. At least 70% of the amount earmarked for CSR activities is spent in these areas under the 'Gaon Mera' initiative. The balance 30% funds are spent on other CSR activities.

ii. Planning

The identification of CSR activities is done using one or combination of the following methods:

- (i) In-house planned projects,
- (ii) Proposals from District Administration / Local Govt. body/public representatives, etc
- (iii) Proposals/requests from registered and specialized body seeking financial assistance for carrying out specific CSR initiatives, subject to the condition that it fulfills the criteria as prescribed in the statute in this regard.

iii. Implementation Methodology

The CSR activities/projects are implemented using internal resources or through collaborating with NGOs/specialized agencies/trusts/institutions/foundations/societies/Government bodies etc. in accordance with provision of the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The details of major CSR initiatives undertaken by the Company during the financial year 2018-19 are given below :

I. Gaon Mera School Reconstruction & Development Project in 3 Identified Villages

The focal area for the Company's CSR intervention is a dedicated "Adopt Village" programme called "GAON MERA". The program is aimed at improving the current status of Education, Healthcare, Sanitation and Livelihood in selected village/s.

The Company has selected villages through an internal employee nomination program in 3 states of India namely Andhra Pradesh, Odisha and Uttar Pradesh. Under "Gaon Mera FY19", the Company adopted three villages namely Agraharam, Anantpur District in Andhra Pradesh, Pandiya Pathar, Ganjam District in Odisha and Tandia, Varanasi District in Uttar Pradesh and the Company aims to work holistically towards development of education with all relevant stakeholders in these villages on Government School reconstruction program to make a sustainable impact in the lives of the marginalized communities living in these villages. The expenditures on these projects shall be partly met from CSR spend of FY19 and balance shall be met from CSR spend of FY20.

II. Community Hall Construction Work in Kullu, Himachal Pradesh under Gaon Mera Program

The Government Primary School located in Sarsai Village, Kullu District, Himachal Pradesh was adopted in FY17 for School Reconstruction Program under Gaon Mera wherein the Company had built a new school building in 2017. Subsequently, the Company received a request from the School Authority and Gram Panchayat for building a Community Hall in the same building and the Company took up the construction of Community Hall as part of CSR for FY19 involving an expenditure of ₹ 41 Lacs.

Charities Aid Foundation (CAF India) is working as an Implementation Partner for above activities. CAF India has partnered with the following organizations for the school re-construction and development projects:

- I. Anchalika Jana Seva Anusthan (AJSA) for Government School Reconstruction Project in Pandiya Pathar, Ganjam District, Odisha,

- II. Vinoba Sewa Ashram (VSA) for Government School Reconstruction Project in Tandia, Varanasi District, Uttar Pradesh, and
- III. PHD Rural Development Foundation (PHD RDF- New Delhi) for Community/Assembly Hall Construction Work in Sarsai Village, Kullu District, Himachal Pradesh.

The main objective of the program is to address the need for sustainable educational infrastructure, support system for rural development and holistic advancement of education in the communities. The broad goal of the project is to evolve a model of integrated school development which later on can be scaled up and replicated in different locations. The project will work towards sustainable development in core focus education area while maintaining inherent socio-cultural fabric of the village.

Preliminary evaluation in the start-up phase has been undertaken by CAF India in the form of rapid need assessment and development of project proposal. Government School construction project is adopted using BaLA (Building as Learning Aid), an innovative concept for qualitative improvement in education, through developing child-friendly, learning and fun based physical environment.

III. PAN India Rural Health Checkups

The Company is taking an initiative to focus upon the rural area and to create awareness towards their health, hygiene and vision related issues. The main objective of this program is to create first level of health awareness in rural areas / villages where presently there is low access to basic medical checkups. Through these Medical Camps, the Company aims to spread awareness on the medical issues that a person might be having but, is unaware.

The broad goal of the project is to evolve a model of integrated health system by initiating these health checks which can be the platform for further medical intervention. This can be taken up by appropriate Government authorities thereby improving the overall health index

of the villages adopted by the Company for health camps. The personal risk assessment screening the vital parameters indicative of preventable and avoidable chronic health-risks that have high burden of morbidity, mortality and disability amongst a selected population helps form a baseline for further interventions for adults at risk as well as help those not-at-risk or borderline-risks to receive sufficient inputs to minimize or avoid future risks. Health Screening activity has been carried out in the most accessible, easy and rapid manner. The health checkup included tests like Anthropometry (Basic body measurements like height, weight, hip, waist, mid arm circumference), Blood Pressure, Pulse, ECG, Baseline Temperature, Oxygen Saturation and Vision tests. In this initiative, the Company has covered 13,642 villagers across 5 States, 16 Districts and 210 Villages. The States covered for the Health Check Up camps are Andhra Pradesh, Assam, Chhattisgarh, Madhya Pradesh and Rajasthan.

2. Composition of the CSR Committee

1.	Mr. Deepak S. Parekh	Non - Executive Director
2.	Mr. Mehernosh B. Kapadia	Independent Director
3.	Mr. Ameet Hariani	Independent Director
4.	Ms. Renu S. Karnad	Non - Executive Director
5.	Mr. Theodoros Kokkalas	Non - Executive Director
6.	Mr. Anuj Tyagi	Executive Director & Chief Business Officer

- 3. **Average net profit of the Company for last three financial years:** ₹ 172.55 crore
- 4. **Prescribed minimum CSR Expenditure (two percent of the amount as in item 3. above):** ₹ 3.45 crore
- 5. **Details of CSR spent during the financial year:**
 - (a) Total CSR amount to be spent for the financial year: ₹ **3.45 crore**
 - (b) Amount spent during the year: ₹ **4.01 crore**
 - (c) Amount unspent, if any: NIL

(d) Manner in which the amount spent during the financial year is detailed below –

1	2	3	4	5	6	7	8
Sr. No	Projects / Activities	Sector	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken (District (State))	Amount outlay (budget) project or programs – wise (₹)	Amount spent on projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads (₹)	Cumulative expenditure up to the reporting period (₹)	Amount spent: Direct or through implementing agency
1	Reconstruction of Govt. School in 1 village under Gaon Mera FY18	Education	Machala, Jalgaon Maharashtra	7,158,944	Direct expenditure - 263,237 Overhead - Nil	6,706,287	Through implementing partner CAF-India.
2	Beautification & Plantation FY18 Project	Environment	Mumbai, Maharashtra	4,039,019	Direct expenditure - 529,510 Overhead - Nil	4,039,019	Through implementing partner CAF-India.
Total - Pertaining to FY18					792,747		
3	Reconstruction of Govt. School in 3 villages under Gaon Mera FY19	Education	Agraharam, Anantpur, Andhra Pradesh	10,796,101	Direct expenditure - 6,477,661 Overhead - Nil	6,477,661	Through implementing partner CAF-India.
4			Pandiya Pathar, Ganjam, Odisha	11,433,911	Direct expenditure - 6,860,347 Overhead - Nil	6,860,347	
5			Tandia, Varanasi, Uttar Pradesh	9,935,540	Direct expenditure - 5,961,324 Overhead - Nil	5,961,324	
6			Sarsai, Kullu, Himachal Pradesh	4,124,821	Direct expenditure - 2,474,893 Overhead - Nil	2,474,893	
7	PAN India Rural Health Check up Camp	Health care	Covered in 210 villages in 16 Districts of 5 States namely Andhra Pradesh, Assam, Chattisgarh, Madhya Pradesh, Rajasthan	3,492,800	Direct expenditure - 3,452,203 Overhead - Nil	3,452,203	Direct
8	Beautification & Plantation at 3 traffic islands	Environment	Mumbai, Maharashtra	3,300,000	Direct expenditure - 3,287,417 Overhead - Nil	3,287,417	Through implementing partner CAF-India.
9	Pollution mask distribution to Government Schools	Health Care	10 Government schools in Delhi State	500,000	Direct expenditure - 247,614 Overhead - Nil	247,614	Direct
10	Supporting equitable opportunities to under privilege girl children through UMEED 1000 Cyclothon 2018	Education	Udbhav School, Hyderabad, Telangana	600,000	Direct expenditure - 551,000 Overhead - Nil	551,000	Direct
11	Supply of free Sanitary Napkins to Girl child in rural/semi-urban areas	Health Care	PAN India	5,000,000	Direct expenditure - 5,000,000 Overhead - Nil	5,000,000	Through CSC Academy
12	Donation to 3E Education Trust for purchasing school bus	Education	Bangalore, Karnataka	4,000,000	Direct expenditure - 4,000,000 Overhead - Nil	4,000,000	Direct
13	Financial assistance and extending co-guardianship to special adults of ADHAR	Health care	Mumbai, Maharashtra	1,800,000	Direct expenditure - 1,800,000 Overhead - Nil	1,800,000	Through Association of Parents of Mentally Retarded Children, Mumbai (ADHAR)
TOTAL – CSR spend-FY19					40,112,459		



As against required CSR spend of ₹ **34,510,682** during FY 2018-19, the Company spent ₹ **40,112,459** which has been fully disbursed.

In respect of three Government school reconstruction and Community Hall construction project, the total estimated outlay is ₹ **36,290,373** out of which ₹ **21,774,225** has been disbursed and considered as CSR spend of FY19. The balance amount will be spent and disbursed in FY20 and considered as CSR spend of FY20.

Note 1: Charities Aid Foundation (CAF) India is a registered charitable trust set up in 1998 to provide strategic and management support to corporate, individuals and NGOs with an aim to ensure greater impact of their philanthropic and CSR investments. It is a leading international not-for-profit organization, which works to make giving more effective and charities more successful. CAF India is part of an international network with offices in nine countries, including Australia, Brazil, Canada, India, Russia, South Africa and the United States of America and distributes funds to over 90 countries around the world. CAF India, with its dedicated team of experts, brings development

sector knowledge and experience to take 'Giving' further. CAF India has more than a decade long proven track record of conducting due diligence of non-government organizations across India and has gained the trust of many individuals, national and transnational companies, foundations and institutions. CAF India has a wide range of 'Giving' solutions which include corporate giving, Give as You Earn, Individual giving etc. CAF India has an impeccable record of serving large multinationals, Public Sector Undertakings, Indian commercial giants by delivering their CSR commitments successfully.

The CSR Committee of the Company hereby confirms that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

Anuj Tyagi
(Executive Director &
Chief Business Officer)
(DIN: 07505313)

Mehernosh B. Kapadia
(Member - CSR Committee)
(DIN: 00046612)