

## 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](http://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 the CSR (SC-CSR) comprising of the Senior Management team including two Executive Directors. The terms of reference of the 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 CSR Committee.

#### C. Scope of activities

The CSR activities of HDFC ERGO 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 80% of the amount earmarked for CSR activities is spent in these areas under the 'Gaon Mera' initiative. The balance 20% funds are utilized for 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 a registered & specialized body for providing 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 2017-18 are given below -

#### I. Gaon Mera School Reconstruction & Development Project in 4 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 Sanitation, Healthcare, Education and Livelihood in selected village/s.

The Company has selected villages through internal employee nomination in 3 states of India namely Maharashtra, Tamil Nadu and Himachal Pradesh. The 'Gaon Mera' project aims at adopting four villages namely Machala, Jalgaon District & Gadewadi, Satara District in Maharashtra, Singaneri, Tirunelveli, Singaneri District in Tamil Nadu and Raman, Kullu District in Himachal Pradesh and work holistically 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.

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

- i. PHD Rural Development Foundation (PHD RDF-New Delhi) for Raman School reconstruction project in Kullu District, Himachal Pradesh.
- ii. Ashwamegh Gramin Panlot Kshetra Vikas Va Shaikshanik Sanstha (AGVSS-Amravati) for Machala,

Jalgaon & Gadewadi, Satara School reconstruction project in Maharashtra.

- iii. Social Awareness & Development Organization for Women (SAADOW) for Singaneri School reconstruction project in Tirunelveli District, Tamil Nadu.

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

## II. Additional Spent Under Gaon Mera School Reconstruction & Development Project in 2 Identified Villages:

Govt. Primary School of Sarsai village, District Kullu, Himachal Pradesh and Govt. Primary & High School Kolamba village, District Jalgaon, Maharashtra had been selected for reconstruction under the Company's CSR Initiative - 'Gaon Mera' FY17. During FY18, the Company supported in upgrading certain infrastructure of these schools involving an amount of ₹ 10.77 lakh. Charities Aid Foundation (CAF) India was also working as an Implementation Partner for the projects.

## 2. Composition of the CSR Committee

1. Dr. Jagdish Khattar<sup>‡</sup> — Chairman - Independent Director
2. Mr. Mehernosh B. Kapadia — Independent Director
3. Mr. Deepak S. Parekh — Non - Executive Director
4. Ms. Renu Sud Karnad — Non - Executive Director
5. Mr. Theodoros Kokkalas\* — Non - Executive Director
6. Mr. Andree Moschner\*\* — Non - Executive Director
7. Mr. Mukesh Kumar — Executive Director and Chairman – CSR Sub-Committee

\*From March 26, 2018; \*\* Upto September 26, 2017; ‡ Upto April 16, 2018

## 3. Average net profit of the Company for last three financial years: NIL

Since there is average net loss (for last three financial years), as per Section 135 of the Act, the Company was not required to spend any amount on CSR activities for FY 2017-18.

## 4. Prescribed CSR expenditure (two percent of the amount as in item 3. above): NIL

### 4A. Voluntary CSR expenditure approved by the Board: ₹ 4.00 crore

## 5. Details of CSR spent during the financial year:

- (a) Total voluntary CSR amount to be spent for the financial year: ₹ 4.00 crore
- (b) Amount spend during the year: ₹ 4.00 crore (₹ 3.63 crore disbursed and balance amount of ₹ 0.37 crore has been earmarked and would be disbursed in FY 2018-19 as CSR spend of FY 2017-18).
- (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) projects 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 project of Govt. Schools in 4 villages under Gaon Mera	Overall development of Govt. school by reconstruction and enriching resources with focus on Education	Machala, Jalgaon (Maharashtra)	7,158,944	Direct expenditure	6,443,050	Through implementing partner CAF-India
			Gadewadi, Satara (Maharashtra)	5,748,308	Direct expenditure	5,173,477	
			Raman, Kullu (Himachal Pradesh)	9,868,610	Direct expenditure	8,881,749	
			Singaneri, Tirunelveli (Tamil Nadu)	5,224,140	Direct expenditure	4,701,726	
2	Additional work of Govt. School in 2 villages under Gaon Mera	Overall development of Govt. school by reconstruction and enriching resources with focus on Education	Kolamba, Chopda, Jalgaon (Maharashtra)	970,590	Direct expenditure	649,047	Through implementing partner CAF-India
			Sarsai, Naggar, Kullu (Himachal Pradesh)	107,256	Direct expenditure	64,353	
3	Beautification and plantation of 3 Traffic Islands at Santacruz Chembur Link Road	Environment	Mumbai (Maharashtra)	3,080,635	Direct expenditure	3,080,635	Through implementing partner CAF-India
4	Raincoat donation & distribution to Mumbai Traffic Police	Health care	Mumbai (Maharashtra)	3,180,000	Direct expenditure	3,180,000	Direct
5	Pollution mask distribution to Delhi Government Schools	Environment	7 Government schools in Delhi State	422,500	Direct expenditure	422,500	Direct
6	Donation to Nalanda Foundation for organizing Road Safety Program	Preventive Health care awareness	Mumbai (Maharashtra)	200,000	Direct expenditure	200,000	Through Nalanda Foundation
7	Beautification and plantation of central median stretch from Gandhinagar Junction to Sonapur Junction, Bhandup, Mumbai	Environment	Mumbai (Maharashtra)	4,039,019	Direct expenditure	3,509,509	Through implementing partner CAF-India
8	Other CSR expenditure	Environment	NA	31,477	Direct expenditure	31,477	Direct
<b>TOTAL</b>				<b>40,031,479</b>		<b>36,337,523</b>	



**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 have more than a decade long proven track record of conducting due diligence of non-government organizations across India and have 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 have an impeccable record of serving large multinationals, Public Sector

Undertakings, Indian commercial giants by delivering their CSR commitments successfully. Last year CAF worked with over 56 corporate partners, 65,000 individuals, 340 NGOs, supporting over 549 projects across 24 states of India.

Of the total CSR amount of ₹ 40,000,000 earmarked to be spent during the financial year 2017-18, the Company disbursed ₹ 36,337,523 and an amount of ₹ 3,693,956 has been earmarked and would be disbursed in FY 2018-19 as CSR spend of FY 2017-18, thus resulting in a total CSR spend of ₹ 40,031,479 for FY 2017-18. Further, during the year, the Company disbursed ₹ 9,888,444 being earmarked CSR amount pertaining to previous year.

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

**Mukesh Kumar**  
(Executive Director)  
(DIN: 06864359)

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