

ANNUAL REPORT ON CSR ACTIVITIES OF THE TRANSFEROR COMPANY

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 Directors. The Company also has 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; and
- (iii) Monitor from time to time the implementation of the CSR projects undertaken by the Company. Evaluation & Reporting of project 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 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 are 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 are done using one or more 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 CSR initiatives undertaken by the Company during the financial year 2016-17 and other CSR activities are given below -

I. Gaon Mera Phase II completed 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 & Livelihood in selected village/s. The idea is to work holistically with all relevant stakeholders in abovementioned areas to make a sustainable impact in lives of the marginalized communities living in selected villages. Charities Aid Foundation (CAF) India is working as an Implementation Partner in "GAON MERA" Program.

The Company has selected villages through internal employee nomination in 4 states of India namely Kerala, Maharashtra, Uttar Pradesh and Chattisgarh. The "Gaon Mera" project aims at adopting four villages namely Cherthala in Kerala, Raweli in Chattisgarh, Kharapati in Maharastra and Saunda in UP and work holistically with all relevant stakeholders in these villages on four key components viz. Sanitation, Education, Health Care & Livelihood to make a sustainable impact in the

lives of the marginalized communities living in these villages.

CAF India has partnered with the following organizations for implementing the projects:

- i) NGO Social and Development Research and Action Group (SADRAG) in UP;
- ii) SAMARTHAN in Chhattisgarh;
- iii) FREED in Kerala; and
- iv) AWARD in Maharashtra.

II. GAON MERA SCHOOL RECONSTRUCTION & DEVELOPMENT PROJECT IN 2 IDENTIFIED VILLAGES

Govt. Primary School of Rangadi-Sarsai village, District Kullu, Himachal Pradesh and Govt. Primary & High School Kolamba village, District Jalgaon, Maharashtra have been selected for reconstruction under Company's CSR Initiative Gaon Mera FY17. Charities Aid Foundation (CAF) India is also working as an Implementation Partner for these activities.

CAF India has partnered with the following organizations for the school re-construction and development projects:

- I. Institute for Integrated Rural Development (IIRD-Shimla) for Sarsai-Rangadi School Reconstruction project in Himachal Pradesh; and
- II. Ashwamegh Gramin Panlot Kshetra Vikas Va Shaikshanik Sanstha (AGVSS-Amravati) for Kolamba School Reconstruction project in Maharashtra.

The main objectives of the program are 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. The duration of the project at the initial stage is 6 months starting from March 2017 to August 2017. Preliminary investigation in the start-up phase has been undertaken by CAF India and Future Institute in the form of rapid need assessment and development of project proposal and need assessment. Govt School

Construction project 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. CSR INTERVENTION IN RAJPORA PULWAMA, JAMMU & KASHMIR

The Company assisted in upgrading Govt. Community Health Centre by providing various Pathological equipments as part of CSR initiative involving an amount of ₹ 38 lacs.

2. Composition of the CSR Committee

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|-----------------------------|---|
| 1. Dr. Jagdish Khattar | - 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. Andreas Kleiner** | - Non - Executive Director |
| 6. Mr. Andree Moschner*** | - Non - Executive Director |
| 7. Mr. Mukesh Kumar | - Executive Director and Chairman – CSR Sub-Committee |

*From April 21, 2016. **Upto July 19, 2016.

***From July 20, 2016.

3. Average net profit of the Company for last three financial years: ₹ 182.25 crore

4. Prescribed CSR Expenditure (two percent of the amount as in item 3. above): ₹ 3.64 crore

5. Details of CSR spent during the financial year:

- (a) Total amount to be spent for the financial year: ₹ 3.64 crore
- (b) Amount spend during the year: ₹ 3.64 crore (₹ 2.67 crore disbursed and balance amount of ₹ 0.97 crore has been earmarked and would be disbursed in FY 2017-18 as CSR spend of FY 2016-17).
- (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	4 villages under Phase II activities of Gaon Mera Program	Overall development with focus on Sanitation, Healthcare, Education and Livelihood	Cherthala (Kerala), Raweli (Chhattisgarh), Kharapati (Maharashtra) Saunda in UP	7,500,000	Direct expenditure	7,500,000	Through implementing partner CAF-India.
2	Reconstruction project 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 (M.H.)	7,007,597	Direct expenditure	4,204,558	Through implementing partner CAF-India.
3	Reconstruction project of Govt. School in 2 villages under Gaon Mera	Development of Govt. school by construction and enriching resources with focus on Education	Kolamba, Chopda, Jalgaon (M.H.)	1,041,387	Direct expenditure	536,330	Through implementing partner CAF-India.
4	Reconstruction project of Govt. School in 2 villages under Gaon Mera	Overall development of Govt. school by reconstruction and enriching resources with focus on Education	Sarsai, Naggar, Kullu (H.P)	6,327,421	Direct expenditure	3,796,453	Through implementing partner CAF-India.
5	Reconstruction project of Govt. School in 2 villages under Gaon Mera	Taking suggestions and inputs from specialist Architecture in School construction	Sarsai, Naggar, Kullu (H.P) and Kolamba, Chopda, Jalgaon (M.H.)	146,050	Direct expenditure	146,050	Direct
6	Gaon Mera Pulwama Gaon Mera FY17 - upgradation of Community Health Centre by providing 6 diagnostic equipments	Health care	Rajpora, Pulwama, (J&K).	3,779,075	Direct expenditure	–	Direct
7	CSR Project - Solar light purchase for Pulwama district (4 villages) CSR Project - Solar light purchase for Pulwama district (4 villages)	Health care	Pulwama, (J&K).	70,000	Direct expenditure	70,000	Direct
8	Drought mitigation program through Emergency Water Trucking under Other CSR Program	Drinking water supply	14 villages in Beed District, Maharashtra	1,469,670	Direct expenditure	1,469,670	Through implementing partner CAF-India.
9	Supporting to Improve schooling condition by building 2 floor Acoustics work in Sarasavati education society school under other CSR Program	Education	Mahim, Mumbai, Maharashtra	935,936	Direct expenditure	935,936	Direct

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10	Supporting to Environment Conservation Association for setting up an environmental observatory for noise and air pollution in under other CSR Program	Environment	Pune, M.H.	210,000	Direct expenditure	210,000	Direct
11	Supporting to establish Indian Institute of sports by JSW under other CSR Program	Education & Sports	Vijaynagar, Karnataka	2,500,000	Direct expenditure	2,500,000	Direct
12	Pollution mask distribution to Delhi Government Schools	Environment	8 Govt schools in Delhi State	425,000	Direct expenditure	425,000	Direct
13	PETA Vanguard Society leadership membership under other CSR Program	Animal Protection	Mumbai, Maharashtra	100,000	Direct expenditure	100,000	Direct
14	Initiative for beautification of open space below flyover or metro areas or open dividers	Environment	Mumbai, Maharashtra	1,695,129	Direct expenditure	1,525,615	Through implementing partner CAF-India.
15	Supporting Mentally retarded children by ADHAR Trust	Health care	Mumbai, Maharashtra	500,000	Direct expenditure	500,000	Direct
16	Eye checkups and Cataract surgery for underprivileged peoples	Health care	Different locations in India	2,500,000	Direct expenditure	2,500,000	Direct
17	Donating fund to Together foundation for purchasing Baking Equipment for setting up Bakery vocational skill training under other CSR Activities	Livelihood	Mumbai, Maharashtra	248,500	Direct expenditure	248,500	Direct
18	Other CSR expenditure	Environment	NA	33,574	Direct expenditure	33,574	Direct
	TOTAL			36,489,339		26,701,686	



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 50 corporate partners, 50,000 individuals, 300 NGOs, supporting over 500 projects across 22 states of India.

Of the total CSR amount of ₹ 36,450,078 to be spent during the financial year 2016-17 the Company disbursed ₹ 26,701,686 and the amount of ₹ 9,748,392 has been earmarked and would be disbursed in FY 2017-18 as CSR spend of FY 2016-17.

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.

Sd/-

Mukesh Kumar
(Executive Director)
(DIN:06864359)

Sd/-

Dr. Jagdish Khattar
(Chairman - CSR Committee)
(DIN:00013496)