

ANNEXURE I TO DIRECTORS' REPORT

ANNUAL REPORT ON CSR ACTIVITIES

1. Brief outline on CSR Policy of the Company

A. CSR Policy

The CSR Policy of the Company, inter-alia, specifies the key focus areas for CSR activities/projects 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 - <https://www.hdfcergo.com/docs/default-source/about-us/legal-and-compliance/csr-policy.pdf>

B. Organisation setup

The CSR projects are implemented under the guidance of the CSR Committee of Directors, which presently comprises seven (7) Directors. The Company also has a Sub-Committee of CSR (SC-CSR) comprising the Senior Management team including the Executive Directors.

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

- i. Formulate and review the CSR Policy and recommend the same to the Board for its approval;
- ii. Formulate and recommend to the Board an Annual Action Plan on CSR activities;
- iii. Recommend the amount of expenditure to be incurred on the CSR activities;
- iv. Review the CSR projects/ programmes from time to time;
- v. Ensure overall governance and compliance for CSR; and
- vi. Annually report to the Board, the details of the CSR activities.

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 across the country and attempt is made to cover maximum geography.

ii. Planning

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

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

iii. Implementation Methodology

The CSR activities/ projects are implemented using internal resources (in- house manpower) or through collaborating with NGOs/ specialized agencies/ trusts/ institutions/ foundations/ societies/ Government bodies etc. in accordance with the provisions 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 2023-24 are given below:-

I. Vidya - Education

The Company has deployed various projects towards improving quality of education and has benefitted over 2,000 students in FY24.

A. Gaon Mera Government School Reconstruction & Development Project -

The focal area for the Company's CSR intervention is a dedicated "My Village" Programme called '**GAON MERA**'. The programme is aimed at improving the current status of Education in selected village(s). The main objective of Gaon Mera program is to address the need for sustainable educational infrastructure, support system for rural development and holistic advancement of education in the communities through its Government School Reconstruction Programme.

Preliminary evaluation of the applications is done as per internal guidelines and a detailed study is done by

the Implementation Partners 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. Vinoba Sewa Ashram, Haritika and Anchalik Jana Seva Anusthan have worked as Implementation Partners for above activities of FY24. Through its flagship programme of Government school reconstruction – ‘GAON MERA’, the Company has undertaken revamp of two new Government schools and also completed two schools in FY24, cumulatively impacting more than 1,200 students.

B. Other Education Initiatives –

Besides the above, the Company has also contributed towards improving the infrastructure facilities of educational institutions, expecting to benefit over 800 students.

II. Niramaya - Healthcare

Considering Healthcare as one of the important pillars, the Company has worked towards providing solutions in the area, aiming to serve over 4.5 lakh lives through its interventions during FY24.

A. Government Hospital Upgradation Project -

The Company undertakes the upgradation of select Government Hospitals/ Health centres in rural areas, following a detailed study of the identified Health Centres, done by the Implementation Partners. Basis the requirement identified, the Company aims to improve the healthcare facilities through construction of new wards/ buildings, refurbishment of existing structures, installation of additional medical equipments, etc.

In FY24, Vinoba Sewa Ashram has started working as an Implementation Partner for one Government Hospital in Tamil Nadu. Doctors For You has worked as an Implementation Partner for two Hospital projects in Maharashtra and Karnataka, completed and handed over in FY23, cumulatively aiming to serve ~ 3.7 lakh people with improved healthcare facilities.

B. Other Healthcare Initiatives -

The Company has funded 2,084 critical surgeries for the underprivileged in FY24, towards treatment of cataract, bone marrow and cochlear transplant, facial deformities and

congenital heart diseases.

To extend medical facility access in rural and tribal areas, Mobile Medical Vans were deployed and Health camps were conducted, benefitting ~ 70,000 people.

Further, interventions in the area of cancer care were undertaken in rural areas by setting up cancer diagnostic labs and upgradation of facilities in cancer hospital, expected to benefit over 7,000 patients.

III. Roshini - Women Welfare

Through Women welfare initiatives, the Company has benefitted over 4,700 women in FY24.

Over 1,000 destitute women were supported with sustainable livelihood solutions and capacity building in remote areas of West Bengal.

The Company has also supported 2,000 women in North East and Tamil Nadu through livelihood enhancement interventions in entrepreneurship development and climate resilient farm practices.

Additionally, 35 Women Collectives were provided solar-powered equipments for running their enterprises, impacting 320 women.

The Company also upgraded skills of 373 Asha Workers to help them become Nursing Assistants.

Further, 1,100 girls were provided supplementary education through learning centres, with an aim to get them back to the formal education system.

IV. Supath - Road Safety

Through Road Safety initiatives, the Company has benefitted over 2.6 Lakh lives in FY24.

The Company has redesigned two high-fatality blackspots on Karnataka Silk Board Highway towards transforming them to ‘Zero Fatality Corridors’ through tactical urbanism, benefitting ~ 2.6 lakh commuters.

Additionally, the Company has set up a training centre at Indore- Regional Transport Office (RTO) to provide road safety training to new licence applicants through a physical training and two-wheeler simulator experience, benefitting over 9,000 prospective motorists.

2. Composition of CSR Committee:

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Ameet Hariani	Chairman-Independent Director	4	4
2.	Mehernosh B. Kapadia	Independent Director	4	4
3.	Vinay Sanghi	Independent Director	4	4
4.	Dr. Rajgopal Thirumalai	Independent Director	4	4
5.	Renu Sud Karnad	Non-Executive Director	4	4
6.	Dr. Oliver Martin Willmes	Non-Executive Director	4	4
7.	Anuj Tyagi	Joint Managing Director	4	4

3. Provide the web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company:

<https://www.hdfcergo.com/corporate-social-responsibility>

4. Provide the executive summary along with web link of Impact Assessment of CSR projects carried out in pursuance of sub-rule (3) of Rule 8, if applicable:

In compliance with the robust governance protocols overseeing decision-making and CSR portfolio management of the Company in FY24, Deloitte Touche Tohmatsu India LLP (Deloitte) was tasked with the responsibility of conducting third party impact assessment for the following two CSR Projects:

- i. Government school reconstruction in Dombramattur, Haveri, Karnataka
- ii. Infrastructure and equipment support to Primary Health Centre, Hattimattur, Haveri, in rural Karnataka

Below is the link and a brief summary of mandatory impact assessment reports:

Niramaya - https://www.hdfcergo.com/docs/default-source/about-us/legal-and-compliance/csr-activities/impact-assessment-report_niramaya_building-and-infrastructure-to-a-govt-phc-hattimattur-karnataka_fy24.pdf

Vidya - Gaon Mera - https://www.hdfcergo.com/docs/default-source/about-us/legal-and-compliance/csr-activities/impact-assessment-report_gaon-mera_building-and-infrastructure-to-a-public-school-domramattur-karnataka_fy24.pdf

i. Gaon Mera Programme - Government school reconstruction in Dombramattur, Haveri, Karnataka

This initiative encompassed the construction of a new school block, library, sanitation and drinking water facilities. Moreover, it integrated innovative qualitative education through BaLA (Building as a Learning Aid). The project was effectively implemented by NGO Partner Yuva Unstoppable. This initiative aligns with the United Nations Sustainable Development Goal 4 (SDG4) on quality education. By enhancing educational infrastructure, providing access to qualitative education, and addressing basic amenities, the Gaon Mera program contributes to the broader global efforts towards ensuring inclusive and equitable education, as outlined in SDG 4.

Summary of findings:

Key parameters	Findings
Relevance/need for project	<ul style="list-style-type: none"> According to the Census of India 2011, people in the age group 0 to 14 years constitutes around 39.5%, while people in the age group 0-4 constitutes 9.7% of the total population. Providing equitable access to education for almost 40% of the population is not an easy task for any policy maker since the population belongs to middle-income and poor families.¹ The national policy on education, Right to Education (RTE), and Sarva Shiksha Abhiyan (SSA) play pivotal roles in enhancing the quality of education in government schools. Reason for poor enrolment at the secondary level is the lack of attention of National Policy on Education, Right to Education, and Sarva Shiksha Abhiyan on the quality of education at government schools. While addressing concerns about poor secondary-level enrolment, these initiatives focus on universalizing elementary education, emphasising improvements in infrastructures, teacher qualifications, and curriculum design.²
Usage and uptake	<ul style="list-style-type: none"> The newly constructed classrooms with Building as Learning Aid (BaLA) tools, charts and graphs have enhanced students' learning outcome and thereby increased attendance from 40 -100%. The teachers have reported a 50% increase in the number of female students enrolled in school, rising from 48 to 96 due to the upgradation of the school infrastructure facilities. 60% of grade 4th to 7th students have full access to the computer lab, as students from lower primary sections do not engage in computer-related work. This accounts for the percentage of students with lab complete access falling below the 90-100% range. 100% of the students accessing to clean drinking water. 30% of students have access to playing materials and sports equipment. The playground is equipped with items such as swings, slides, and climbers designed for small children, leading to reduced engagement from students in higher sections. As reported by the teachers the use of BaLA tools have helped students who have been promoted from 6th to 7th grade score higher on math and science tests as compared to their previous grades.
Impact created	<ul style="list-style-type: none"> As reported by the teachers and other school staff the attendance of students has increased by 100%. The teachers have reported that the total strength of the students has increased by 50-55%, rising from an average strength of 100-110 to 224. According to the teachers, the boys' hostel is now at full capacity with a 100% occupancy, indicating an increase in number of residential students. Prior construction of new infrastructure, the occupancy was low, as parents were hesitant to admit their children. The dropout rates have been reduced to 0% as reported by the teachers. The BRC has emphasized that the number of students clearing the competitive examination for high school enrolment in reputed schools has increased from 0% to 30%. The teachers have emphasized a notable 50% increase in the enrolment of girl students.
Sustainability	<ul style="list-style-type: none"> The Gaon Mera Program has demonstrated sustainability by engaging all stakeholders to a collective mechanism. Quality infrastructure and uninterrupted power supply have been crucial components enhancing the well-being of the students, teachers, and community members. This ensures the long-term sustainability of the project.
Overall Rating	<ul style="list-style-type: none"> The project has successfully met its expectations by significantly enhancing students' learning outcomes, boosting enrolment rates, and improving overall well-being of students through comprehensive upgrades and infrastructure development in the school.

¹ <https://www.frontiersin.org/articles/10.3389/feduc.2022.871043/full#B32>

² Mehrotra, S. (2012). *The cost and financing of the right to education in India: can we fill the financing gap?* *Int. J. Educ. Develop.* 32, 65–71. doi: 10.1016/j.ijedudev.2011.02.001

ii. Infrastructure and equipment support to one Primary Health Centre, Hattimattur, Haveri, in rural Karnataka

This is an effort towards upgradation of the above-mentioned Primary Health Centre and is focused to improve the healthcare services and access for the people of Haveri. The hospital building was upgraded through new construction and wards were created along with provisions of

additional equipment in the Operation Theatre. Also, uninterrupted power supply was ensured by installation of Solar Panels.

By enhancing the facilities at the health centre, thereby providing access to enhanced healthcare facilities, this project contributes to the broader global efforts towards ensuring good health and wellbeing, as outlined in SDG 3. The project was effectively implemented by NGO, Doctors For You.

Summary of findings:

Key parameters	Findings
Relevance/need for the project	<ul style="list-style-type: none"> PHCs often serve as the first point of contact for local communities within the nation's health. The National Health Policy, 2017 recommended strengthening the delivery of primary health care, through the establishment of "Ayushman Bharat-Health and Wellness Centres" as the platform to deliver comprehensive primary health care to help these centres better serve people's healthcare needs throughout their lifetime. Upgradation efforts enhance reproductive, maternal, and neonatal health service readiness.¹ Ayushman Bharat or "Healthy India" national initiative was launched as recommended by the National Health Policy 2017, to achieve the vision of Universal Health Coverage (UHC). This initiative has been designed along the lines of meeting SDG 3- Good health and wellbeing and its underlining commitment, which is "leave no one behind".²
Usage and uptake	<ul style="list-style-type: none"> Delivering quality health services to the targeted population of approximately 33,900 people in Hattimattur village of Savanaur block in Haveri district of Karnataka. Extending outreach to 65 villages in the entire Savanaur block covering 1.6 lakh+ population size as compared to a previous outreach of up to 10 villages. The upgraded facility is now providing quality primary healthcare services to 150 daily OPD patients on average.
Impact created	<ul style="list-style-type: none"> PHC building prior to intervention was a ten bedded, older structure which was due for upgrade of structure for the past 10-12 years. The PHC, in addition to the upgradation of equipment and infrastructure, needed inputs in terms of deployment of human resources, provision of support equipment in the OT and handholding for expansion of services at the hospital. The building was upgraded, and wards were created for expanded provision of services such as delivery and family planning surgeries, however, effort towards staffing of additional medical officers at the PHC is still warranted. This will enable the expansion of services (especially labour room facilities, Sick-new-born care unit (SNCU) and Family planning services at the facility. Currently, the PHC houses a single bedded labour room with attached sanitation services, a recovery room and a 5-bedded ward for women in the premises. The PHC has been taking up 10-12 uncomplicated deliveries per month owing to the availability of upgraded labour room in the facility. The PHC has also reported increased patient footfalls, convenient access to primary health services and reduction in the need for extensive travel for seeking treatment. The PHC is currently not able to handle emergency cases due to lack of available medical staff round the clock. The state (Karnataka) has been reporting a reduction in maternal and neonatal mortality rates over the past 3-4 years. The newly constructed maternal and child wing at the PHC premises contributes to this by providing a safe and efficient environment for childbirth and neonatal care. Efforts have been made by the PHC staff towards enhancing awareness among pregnant women and lactating mothers regarding various central/state government schemes post-delivery. This helps the women to seek and utilize the support provided, contributing to their well-being and that of their new-borns. The installation of eco-friendly sources like solar panels or backup generators, has improved the electricity availability in the healthcare facility.
Sustainability	<ul style="list-style-type: none"> The successful enhancement of healthcare infrastructure through the provision of advanced equipment and high-quality services, provides a platform to the PHC to improve its service provision. Increase in patient footfall, trust from the community in the new PHC structure and the uptick in the in-patient services has been noted owing to the PHC. Thereby, there is potential for reduced dependency on public and private hospitals at district level, which are an extensive distance from the current facility (>17 km). However, a system-strengthening approach towards upgradation of the PHC is important to ensure sustained impact on rural health services.
Overall Rating	<ul style="list-style-type: none"> The project expectations are met by providing quality healthcare services to the population, especially women and children, resulting in significant improvement in MCH service delivery including antenatal care, deliveries, and childcare services in the entire Savanaur block.

1 <https://main.mohfw.gov.in/sites/default/files/9147562941489753121.pdf>

2 <https://ab-hwc.nhp.gov.in/>

5. (a) Average net profit of the Company as per section 135(5) of the Act: ₹ 764,36,50,203
- (b) Two percent of average net profit of the Company as per section 135(5) of the Act: ₹ 15,29,13,188
- (c) Surplus arising out of the CSR projects or programmes or activities for the previous financial years: NIL
- (d) Amount required to be set-off for the financial year, if any: NIL
- (e) Total CSR obligation for the financial year (5b+5c-5d): ₹ 15,29,13,188
6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ₹ 14,42,86,709
- (b) Amount spent on Administrative Overheads: ₹ 76,43,650
- (c) Amount spent on Impact Assessment, if applicable: ₹ 9,82,829
- (d) Total amount spent for the Financial Year (6a+6b+6c): ₹ 15,29,13,188
- (e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6) of the Act		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5) of the Act		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
15,29,13,188	NIL	NA	NA	NIL	NA

- (f) Excess amount for set-off, if any: NIL

Sr. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the Company as per Section 135(5) of the Act	15,28,73,004
(ii)	Total amount spent for the financial year	15,29,13,188
(iii)	Excess amount spent for the financial year [(ii)-(i)]	40,184
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	NIL

7. Details of Unspent CSR amount for the preceding three financial years:

1	2	3	4	5	6		7	8
Sr. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Amount Spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding financial years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of transfer		
NIL								

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: Yes

If Yes, enter the number of Capital assets created/ acquired: 2

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sr. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
					1	2	3
1	2	3	4	5	6		
					CSR Registration Number, if applicable	Name	Registered address
1	<p>Reconstruction of Govt. School in Kutba, District Muzaffarnagar, Uttar Pradesh under Gaon Mera Program and handed over to School Management Committee of the School in FY24. Project completed and inaugurated in May 2023. A brief overview of facilities provided by us in project is as follows -</p> <ul style="list-style-type: none"> • Re-Construction - 4 new rooms with corridor – total area 2580 sq. ft. built up area • Repair and refurbishment of boundary wall and other existing structure including demolition 	261318	May 22, 2023	<p>Total Outlay - ₹ 62,30,400 Amount spent in FY23: ₹ 56,07,360 Amount spent in FY24: ₹ 3,11,520 Amount to be spent in FY25: ₹ 3,11,520</p>	NA	School Management Committee, Kutba, District Muzaffarnagar, Uttar Pradesh	Primary School, Kutba, Block Baghra, District Muzaffarnagar, Uttar Pradesh
2	<p>Reconstruction project of Government School in Kutbi, District Muzaffarnagar, Uttar Pradesh under Gaon Mera Program and handed over to School Management Committee of the School in FY24.</p> <p>Project completed and inaugurated in May 2023. A brief overview of facilities provided by us in project is as follows -</p> <ul style="list-style-type: none"> • Re-Construction - Area 757 sq. ft. built up area • 1 Toilet Area with 2 partition - 112 Sq Ft • 1 new room - 645 Sq Ft • Repair and refurbishment of boundary wall and other existing structure including demolition • Furnishing and smart class setup 	251318	May 21, 2023	<p>Total Outlay - ₹ 44,13,200 Amount spent in FY23: ₹ 39,71,880 Amount spent in FY24: ₹ 2,20,660 Amount to be spent in FY25: ₹ 2,20,660</p>	NA	School Management Committee, Kutbi, District Muzaffarnagar, Uttar Pradesh	Composite School, Kutbi, Block Baghra, District Muzaffarnagar, Uttar Pradesh

9. Specify the reason(s), if the Company has failed to spend two percent of the average net profit as per Section 135(5) of the Act: NIL

<p>Ritesh Kumar (DIN: 02213019) (Managing Director & CEO)</p>	<p>Ameet Hariani (DIN: 00087866) (Chairman - CSR Committee)</p>
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