

HDFC PROPERTY VENTURES LIMITED

CORPORATE SOCIAL RESPONSIBILITY POLICY

OCTOBER 2021

HDFC Property Ventures Limited

Regd Office: 165-166 Backbay Reclamation, H T Parekh Marg, Churchgate, Mumbai 400020

INTRODUCTION

HDFC Property Ventures Limited, a public limited company incorporated under the Companies Act, 1956 and having its registered office at 165-166 Backbay Reclamation, H T Parekh Marg, Churchgate, Mumbai 400020, has formulated and adopted this Corporate Social Responsibility Policy in terms of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014 (CSR Rules).

Section 135 of the Companies Act, 2013, requires the Company to constitute a Corporate Social Responsibility (CSR) Committee of Directors, adopt a CSR Policy, spend at least 2% of its average net profits made during the immediately preceding three financial years towards CSR activities as set out in Schedule VII to the Companies Act, 2013 and confirm compliance thereof in the Annual Report.

Accordingly, on the recommendation of the CSR Committee, this Policy was first reviewed and approved by the Board of Directors of the Company at its meeting held on March 30, 2015 and deemed to have come into effect from March 30, 2015.

Thereafter, pursuant to the amendments in CSR Rules in January 22, 2021, this Policy has been amended by the Board of Directors of the Company at its meeting held on October 18, 2021. This amended Policy shall be effective from October 18, 2021.

Title	Particulars
Reviewing Authority	Corporate Social Responsibility (CSR) Committee of Directors
Approving Authority	Board of Directors of the Company
Approval date	Approved by the Board on March 30, 2015
Version	2.0
Effective date	March 30, 2015
Current Revision Date:	October 18, 2021
Review cycle	Annually or as recommended by the CSR Committee.

BACKGROUND

Corporate Social Responsibility is a company's sense of responsibility towards the community and environment in which it operates. It is the continuing commitment by business to behave ethically and contribute to economic development of the society at large and building capacity for sustainable livelihoods.

The Company believes in conducting its business responsibly, fairly and in a most transparent manner. It continually seeks ways to bring about an overall positive impact on the society and environment where it operates and as a part of its social objectives.

OBJECTIVE

The main objective of this CSR Policy is to lay down guidelines to make CSR a key business process for sustainable development of the society and the environment in which it operates. It aims in enhancing welfare measures of the society based on the immediate and long term social and environmental consequences of the Company's activities in India.

This Policy specifies the projects and programmes that can be undertaken, provides an indicative list of CSR projects/ programmes in terms of the Schedule VII to the Companies Act, 2013, which the Company plans to undertake during the implementation years, specifies the modalities of execution in the areas/ sectors chosen and the implementation schedule.

The scope of the Policy has been kept as wide as possible, so as to allow the Company to respond to different situations and challenges appropriately and flexibly, subject to the activities enumerated in Schedule VII of the Companies Act, 2013.

PARTNERING NGOS

The Company would be undertaking the CSR activities by making contributions to not-for-profit organizations (herewith referred to as "Partnering NGOs" in this Policy) including specific funds maintained by the Central/ State Government of India.

The Company shall ensure that the Partnering NGOs have an impeccable track record of service, performance, governance and accountability.

CSR AMOUNT AND EXPENDITURE

The Company shall endeavor to spend in every financial year, at least 2% of its average net profits made during the 3 immediately preceding financial years, in pursuance of this CSR Policy and in the manner as specified in Section 135 of the Companies Act, 2013 and the Rules made thereunder from time to time.

CSR ACTIVITIES / PROJECTS

Schedule VII of the Companies Act, 2013 lists down the activities which may be included by companies in their corporate social responsibility policies. However, out of the activities listed in Schedule VII of the Companies Act, 2013, the Company currently plans to support, partner and assist various CSR activities in the following areas:

1. Education;
2. Community Development;
3. Child Welfare;
4. Differently abled;
5. Health care and Sanitation;
6. Any other development activity undertaken with the main objective of betterment of society.

The Members of the CSR Committee of the Company shall be authorised to consider other CSR activities that are not falling under the above areas.

GUIDING PRINCIPLES FOR SELECTION OF CSR ACTIVITIES

The Company shall conduct its CSR activities as laid down in Schedule VII of the Companies Act, 2013 and as approved by the CSR Committee of the Company. These activities will in turn focus on established need, sustainability and focused outcomes of the chosen sectoral themes.

The Company shall not fund any CSR activities undertaken outside India or in pursuance of its normal course of business.

The Company may also undertake CSR activities jointly with its group companies and/or other companies, where such a collaborative approach has clearly defined roles and responsibilities outlined of each company.

GUIDING PRINCIPLES FOR IMPLEMENTATION OF CSR ACTIVITIES

THROUGH OTHER IMPLEMENTING AGENCY

The Company may execute and implement CSR activities through any other implementing agency registered in India, having a valid CSR Registration Number granted by the Ministry of Corporate Affairs (MCA) and having track record of service, performance, governance and accountability.

ROLE OF CSR COMMITTEE

The Board of Directors of the Company has constituted a CSR Committee of Directors. The CSR Committee will play the following role in fulfilling the Company's CSR objectives:

- Review and recommend the CSR Policy to the Board of Directors;
- Recommend the amount of annual expenditure to be incurred on the CSR activities;
- Review the annual action plan for each financial year and recommend the same to the Board;
- Review and recommend to the Board, certain CSR projects/programmes as ongoing projects in accordance with the CSR Rules;
- Review the impact assessment reports of CSR projects;
- Annually report to the Board, the status of the CSR activities and contributions made by the Company.

The CSR Committee shall do all such acts, deeds, matters and things to ensure compliance with applicable provisions relating to CSR and the CSR policy as amended, from time to time.

The composition of the CSR Committee are available on the website of Housing Development Finance Corporation Limited, (HDFC) holding company at www.hdfc.com.

ANNUAL ACTION PLAN

Annual Action Plan shall be formulated for each financial year and recommend the same to the CSR Committee and the Board for its approval.

The annual action plan shall include the following:

- List of CSR projects;
- Manner of execution of CSR projects;
- Modalities of utilisation of funds and implementation schedules for CSR projects;
- Monitoring and reporting mechanism for CSR projects;
- Details of need and impact assessment for CSR projects, as may be applicable.

An update on the status of compliance with the annual action plan shall be provided to the CSR Committee and Board of Directors on a periodic basis, and may be modified accordingly.

PROCESS FOR IMPLEMENTING CSR ACTIVITIES / PROJECTS

The following procedure is required to be adhered to while undertaking/ funding CSR activities:

- Execution of Grant letters with all Partnering NGOs, which would detail the project proposal and understanding, responsibilities of the partner, execution timelines, communication and monitoring of project outcomes for the parties signing the Grant Letter;

- The CSR contribution would be for a project as identified by the Company, either for a single financial year or as an ongoing project for multi-years, depending on the scale and needs of the project/.
- The disbursement of the contribution amount by the Company to the Partnering NGOs shall be made only if they have a unique CSR registration number granted by the MCA and requisite approvals and registrations as required under the Income Tax Act, 1961 or other applicable laws in India; and
- The disbursement will be made only upon receipt of a proposal from the Partnering NGOs specifying the budget that is required, activity for which it is required and project outputs & outcomes, as may be required.

MONITORING AND EVALUATION FRAMEWORK

The Company shall be entitled to receive the following information from the Partnering NGOs:

- Annual Report with audited financial statements;
- Operational / progress reports either quarterly or half yearly, depending on the size and scale of the project
- Impact assessment reports of the CSR project;

To ensure steady progress and proper utilization of CSR amount, the following monitoring mechanism may be adopted depending upon the size of contribution and the Partnering NGOs:

- Periodic field visits by officials of Company/HDFC;
- Undertaking sample third party audits of the projects,; and
- Review of externally certified funds utilisation reports, submitted by the Partnering NGOs.

The Chief Executive Officer of the Company or any other person responsible for financial management shall certify the utilisation of funds disbursed for CSR projects for each financial year.

IMPACT ASSESSMENT

The Company shall through a panel of independent agencies undertake impact assessment for eligible CSR projects as may be as prescribed under the CSR Rules.

The CSR Committee of the Company shall decide the periodicity for undertaking impact assessment of the CSR projects or programmes as mandated by the MCA.

In an event wherein a CSR project or programme is undertaken by the Company jointly with its group companies or any other company, the manner of execution, modalities of sharing of costs incurred including conducting an impact assessment and other matters shall be decided by the CSR Committee.

The impact assessment reports shall be placed before the CSR Committee and the Board of Directors for their noting and shall be annexed to the annual report on CSR activities for each financial year. Expenditure incurred towards carrying out the impact assessment will be considered as part of CSR expense, as per the limits stipulated under the CSR Rules.

REPORTING

The CSR Committee shall report to the Board of Directors of the Company, the status of the CSR projects/ undertaken by the Company in the Annexure to the Directors' Report, in the Company's Annual Report.

The Company shall upload this Policy, and all other information as statutorily required on website of HDFC at www.hdfc.com.

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