

Annex to Directors' Report - 3

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

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

Overview of HDFC's CSR activities:

Housing Development Finance Corporation Limited (HDFC/the Corporation) has framed a Corporate Social Responsibility (CSR) Policy in compliance with the provisions of Companies Act 2013, which outlines its CSR objectives and the manner in which it will be implemented. The CSR Policy is available on HDFC's website: <https://www.hdfc.com/allpolicies/CSRPolicy.pdf>. HDFC primarily implements its CSR initiatives through the H T Parekh Foundation (Foundation), a Section 8 registered charitable institution set up by HDFC in October 2012, to commemorate the legacy of its Founder Chairman, Shri H T Parekh.

During Financial Year (FY) 2019-20, HDFC continued its commitment towards creating positive societal impact by partnering with and supporting organisations that nurture inclusive growth and equitable development. This has resulted in deepening interventions with existing partners in the 3 focus areas of Healthcare (including Water & Sanitation), Education and Skilling & Livelihoods. Additionally, our support for Disability cut across all our focus sectors.

Apart from the above, HDFC also increased its support in the area of Environmental Conservation & Sustainability, through projects which included Waste recycling, Bio-diversity, promotion of Solar Energy and Livelihood projects in Maharashtra & Assam focused on water conservation & afforestation respectively. In terms of geographic spread, 33% of HDFC's CSR projects were in the Western region, 29% were in the North, 24% were in the South and 14% were in the Eastern region (including the North East), where we have consciously scaled up our support over the past 2 years. The Corporation's CSR partners are selected based on governance, experience and quality of implementation.

Healthcare formed 42% of the total CSR expenditure during the year. Our main interventions have been towards providing quality and affordable healthcare to the most marginalised by (i) improving access to nutrition for undernourished children & lactating mothers (ii) enhance & support cancer prevention programmes (iii) early detection & treatment for all forms of avoidable blindness (iv) support for paediatric surgeries for critical illnesses.

HDFC continued its support for community-led programmes for individual and public sanitation infrastructure improvement in urban areas. The projects included constructing individual household toilets as well as refurbishment of public toilet facilities. With the increase in the number of toilets built in cities over the last 5 years, treatment of faecal waste has emerged as a major need, as part of the overall sanitation ecosystem. In the current year, HDFC supported pilot projects to set up Faecal Sludge Treatment Plants in Hyderabad (Telangana), Kolhapur and Satara (Maharashtra) in partnership with local urban bodies and 2 technical institutes Administrative Staff College of India (ASCI), Hyderabad and Centre for Environmental Planning & Technology (CEPT), Ahmedabad.

Education constituted 34% of HDFC's CSR expenditure during the year. Our Education partnerships have focused on collaborating with institutions at various levels to foster improved learning outcomes in children through (i) Early Childhood Education (ECE) interventions & Foundational learning programmes for children (ii) capacity building of school teachers (iii) training in life & vocational skills for young adolescents to make them job ready (iv) inclusive education for children with physical & intellectual disabilities and (v) supporting the development of 'model institutions', that serve as a benchmark for other educational institutes across India.

In **Skilling and Livelihoods**, the Corporation has focused on projects in thematic areas addressing: (i) Women – by promoting employable programmes for the economic empowerment of women as rural entrepreneurs, spinners and weavers, healthcare professionals such as optometrists and nurse aides and for the IT / ITES sectors (ii) Persons with Disabilities (PwD) – developing employable skilling of PwDs for their inclusion into the workforce, as well as with employers to create inclusive work places for such persons. The sector contributed to 9% of the CSR expenditure during the year.

In other projects involving **Community Development**, the Corporation completed the project involving rebuilding of homes in Kerala that were severely damaged due to the devastating floods in August 2018. HDFC had supported the construction of 75 disaster resilient houses for families belonging to the lower socio economic groups, in the worst affected villages of 2 blocks of Ernakulam District and 1 block of Alleppey District. The project was implemented through two local partners in consultation with our HDFC branches in Kerala, local communities, technical consultants and the Panchayat (village local governance) administration, and all houses were handed over to the families in December 2019. Additionally, HDFC also contributed to the Prime Minister’s National Relief fund, as a measure of solidarity to support the Central Government efforts for disaster relief, during the devastating floods that occurred once again in August 2019, and impacted several states across India.

HDFC also supported a unique project in Ahmedabad, Gujarat for the improvement & redevelopment of the ‘Dhal ni Pol’, one of the oldest heritage precincts in the city of Ahmedabad (a UNESCO World Heritage site). The pilot project will be carried out over 2 years, involving the civic infrastructure improvement and heritage restoration within a earmarked stretch of the Pol, and will be a showcase project to be scaled to the rest of the Pol at a subsequent stage.

Some of the other **Special Projects** were in the areas of Environmental Sustainability, as mentioned above and the Promotion of Sports, by supporting 5 athletes & 23 para-athletes, who were selected on the basis of talent, performance and potential to win an Olympic medal for India.

2. The Composition of the CSR Committee

Mr. Deepak S. Parekh (Chairman)

Mr. Jalaj Dani (Independent Director)

Mr. Keki M. Mistry (Director)

Ms. Renu Sud Karnad (Director)

Mr. V. Srinivasa Rangan (Director)

During the year under review, the Committee met 3 times on May 10, 2019, November 4, 2019 and March 13, 2020. The details of attendance of the Directors at the said meetings are provided in Report of the Directors on Corporate Governance.

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| 3. | Average net profit of the Company for the last three financial years: | ₹ 9,195.17 crore |
| 4. | Prescribed CSR Expenditure (2% of the amount in Point 3 above): | ₹ 183.90 crore |
| 5. | Details of CSR spent during the financial year: | |
| a. | Total amount spent during the financial year 2019-20: | ₹ 211.77 crore |
| b. | Amount unspent, if any: | Nil |

c. Manner in which the amount was spent during the financial year is detailed below:

Sr. No.	CSR Project/Activity	Sector	Locations	Budget for Projects/ Programmes	Amount Spent: Direct on Projects/ Programmes	Cumulative Expenditure up to Reporting Period ^{II}	Amount Spent: Direct/ Implementing Agency ^I
			Districts (State)	₹ Crore	₹ Crore	₹ Crore	
1A	(i) Cancer prevention, treatment and care (ii) institutional and operational capacity enhancement of healthcare programmes	Healthcare	Ahmedabad (Gujarat); Bengaluru (Karnataka); Ernakulam (Kerala); Aurangabad, Pune, Mumbai, Raigad, Solapur, Thane (Maharashtra); New Delhi; Angul, Bhadrak, Boudh, Dhenkanal, Jagatsinghpur, Jharsuguda, Kendrapada, Naupada (Odisha); Chandigarh; Jodhpur (Rajasthan); Vellore (Tamil Nadu)	24.91	24.91	48.48	H T Parekh Foundation and Implementing Agency
1B	Eyecare - detection and treatment of preventable blindness	Healthcare	Vizianagaram (Andhra Pradesh); Jorhat (Assam); Surat (Gujarat); Bengaluru, Dharwad (Karnataka); Gwalior (Madhya Pradesh); Latur, Nagpur (Maharashtra); New Delhi; Jalandhar (Punjab); Udaipur (Rajasthan); Chennai (Tamil Nadu); Lucknow, Kanpur, Sitapur (Uttar Pradesh); Purba Medinipur, Siliguri, South 24 Parganas (West Bengal)	18.97	18.97	29.75	H T Parekh Foundation

Sr. No.	CSR Project/Activity	Sector	Locations	Budget for Projects/ Programmes	Amount Spent: Direct on Projects/ Programmes	Cumulative Expenditure up to Reporting Period ¹	Amount Spent: Direct/ Implementing Agency ¹
			Districts (State)	₹ Crore	₹ Crore	₹ Crore	
1C	Access to nutrition and nutrition services to reduce malnourishment amongst vulnerable children	Healthcare	Dibrugarh, Kamrup (Assam); Surguja (Chhattisgarh); Ahmedabad (Gujarat); Chindwara (Madhya Pradesh); Mumbai, Palghar, Pune, Thane (Maharashtra); Bargarh (Odisha); Baran, Chittorgarh, Jodhpur, Udaipur (Rajasthan); South 24 Parganas (West Bengal)	14.91	14.91	38.53	H T Parekh Foundation
1D	Transformational surgeries for children and healthcare support to children with special needs	Healthcare	Bengaluru (Karnataka); Ernakulam (Kerala); Mumbai (Maharashtra); Chennai (Tamil Nadu); Hyderabad (Telangana); South 24 Parganas (West Bengal)	16.45	16.45	31.10	H T Parekh Foundation and Implementing Agency
1E	(i) Access to sanitation in urban slums and rural schools (ii) Improved sanitation infrastructure in urban cities (iii) Access to safe drinking water	Healthcare	Ahmedabad (Gujarat); Kolhapur, Mumbai, Pune, Satara (Maharashtra); Jodhpur (Rajasthan); Chennai, Tiruchirappalli (Tamil Nadu); Hyderabad (Telangana)	12.92	12.92	29.49	H T Parekh Foundation and Implementing Agency
2A	Programmes for Early Childhood Education and Foundational Learning	Education	Mumbai, Parbhani (Maharashtra); New Delhi	2.52	2.52	5.57	H T Parekh Foundation

Sr. No.	CSR Project/Activity	Sector	Locations	Budget for Projects/ Programmes	Amount Spent: Direct on Projects/ Programmes	Cumulative Expenditure up to Reporting Period ¹¹	Amount Spent: Direct/ Implementing Agency ¹
			Districts (State)	₹ Crore	₹ Crore	₹ Crore	
2B	Teacher Training programmes to enable students to achieve age appropriate learning outcomes	Education	Durg (Chhattisgarh); Ahmedabad (Gujarat); Dumka, Hazaribagh, Koderma, Pakur, Palamu, Purbi Singhbhum, Ranchi, Sahibganj (Jharkhand); Bengaluru (Karnataka); Barwani, Khandwa (Madhya Pradesh); Amravati, Akola, Aurangabad, Buldhana, Bhandara, Chandrapur, Gadchiroli, Gondia, Latur, Mumbai, Nagpur, Nanded, Palghar, Raigad, Thane, Wardha, Washim, Yavatmal (Maharashtra); New Delhi; Chittorgarh, Jaipur, Jodhpur (Rajasthan); Chennai, Kanyakumari, Thoothukudi (Tamil Nadu); Hyderabad (Telangana)	18.65	18.65	44.34	H T Parekh Foundation and Implementing Agency
2C	Programmes focused on Career readiness, Life skills and Vocational training of adolescents and youth	Education	Bengaluru (Karnataka); Amravati, Mumbai, Pune, Raigad, Wardha (Maharashtra); New Delhi; All Districts (Odisha)	3.72	3.72	9.61	H T Parekh Foundation and Implementing Agency

Sr. No.	CSR Project/Activity	Sector	Locations	Budget for Projects/ Programmes	Amount Spent: Direct on Projects/ Programmes	Cumulative Expenditure up to Reporting Period ¹¹	Amount Spent: Direct/ Implementing Agency ¹
			Districts (State)	₹ Crore	₹ Crore	₹ Crore	
2D	(i) Support to Model Educational Institutes that can serve as a benchmark for education quality (ii) programmes supporting research	Education	Chittoor (Andhra Pradesh); Kamrup (Assam); Raigarh, (Chhattisgarh); Sonapat (Haryana); Hazaribagh, Ranchi (Jharkhand); Chhatarpur, Guna (Madhya Pradesh); Mumbai, Nashik, Pune (Maharashtra); Noney (Manipur); New Delhi; Bharatpur (Rajasthan); Ghazipur, Jhansi, Raebareli (Uttar Pradesh); Almora, Dehradun, Tehri Garhwal (Uttarakhand); South 24 Parganas (West Bengal)	39.40	39.40	70.83	H T Parekh Foundation and Implementing Agency
2E	Inclusive education for children with special needs	Education	Kamrup (Assam); Bengaluru (Karnataka); Ernakulam (Kerala); Mumbai (Maharashtra); Khasi Hills (Meghalaya); South Sikkim (Sikkim); Chennai, Karur, Tirunelveli, Tiruvallur (Tamil Nadu); West Tripura (Tripura); Dehradun (Uttarakhand)	7.13	7.13	12.65	H T Parekh Foundation and Implementing Agency

Sr. No.	CSR Project/Activity	Sector	Locations	Budget for Projects/ Programmes	Amount Spent: Direct on Projects/ Programmes	Cumulative Expenditure up to Reporting Period ¹	Amount Spent: Direct/ Implementing Agency ¹
			Districts (State)	₹ Crore	₹ Crore	₹ Crore	
3A	Skill Development and Livelihood enhancement programmes for Women and Construction workers	Skilling & Livelihoods	Saran (Bihar); Dhamtari, North Bastar Kanker, Raigarh (Chhattisgarh); Gurugram (Haryana); Bengaluru, Chikkaballapur (Karnataka); Ahmednagar, Nashik, Pune, Raigad (Maharashtra); New Delhi; Kalahandi, Koraput, Nabarangpur (Odisha); Ambala (Punjab); Mirzapur (Uttar Pradesh); Howrah, Jhargram, Purba Bardhaman, Purulia (West Bengal)	15.68	15.68	31.10	H T Parekh Foundation & Implementing Agency
3B	Training persons with disabilities to become economically self-reliant	Skilling & Livelihoods	Bengaluru, Gadag, Hassan, Koppal (Karnataka); Indore (Madhya Pradesh); Mumbai (Maharashtra); Chennai (Tamil Nadu); South 24 Parganas (West Bengal)	2.88	2.88	5.73	H T Parekh Foundation and Implementing Agency
4A	Disaster relief and rehabilitation (housing)	Community Development	Alleppey, Ernakulam (Kerala); New Delhi	17.17	17.17	19.39	Prime Minister's National Relief Fund and H T Parekh Foundation
4B	Supporting senior citizen homes, orphanages, childcare homes and heritage area community projects	Community Development	Ahmedabad (Gujarat); Bengaluru (Karnataka); Mumbai, Raigad (Maharashtra); New Delhi; Chennai, Krishnagiri (Tamil Nadu)	2.00	2.00	3.02	H T Parekh Foundation and Implementing Agency

Sr. No.	CSR Project/Activity	Sector	Locations	Budget for Projects/ Programmes	Amount Spent: Direct on Projects/ Programmes	Cumulative Expenditure up to Reporting Period ¹¹	Amount Spent: Direct/ Implementing Agency ¹
			Districts (State)	₹ Crore	₹ Crore	₹ Crore	
5	Projects on Solid waste management & recycling, Ecological restoration, Rewilding of forests, Clean energy (Solar)	Environment	Hojai, Sonitpur (Assam); Kangra (Himachal Pradesh); Uttara Kannada (Karnataka); Hoshangabad (Madhya Pradesh); Ahmednagar, Amravati, Akola, Aurangabad, Beed, Buldhana, Chandrapur, Hingoli, Jalgaon, Mumbai, Nagpur, Nanded, Nandurbar, Nashik, Latur, Osmanabad, Parbhani, Pune, Sangli, Satara, Solapur, Wardha, Washim, Yavatmal (Maharashtra)	10.42	10.42	14.11	H T Parekh Foundation and Implementing Agency
6	Other projects - (i) Training Olympic athletes, sports coaching in low-income schools (ii) Promoting Indian art and culture	Art, Culture and Sports	Bengaluru (Karnataka); Mumbai, Ratnagiri (Maharashtra); New Delhi; Chennai (Tamil Nadu)	2.36	2.36	7.09	H T Parekh Foundation and Implementing Agency
7	Administrative expenses				1.68		
	Total				211.77	400.79¹¹	

Notes:

I **Details of Implementing Agencies:** HDFC carries out its CSR activities through the H T Parekh Foundation and other implementing agencies (non-profit organisations). Some significant ones are as below (in alphabetical order):

Organisation	Sector
3.2.1 Education Foundation	Education
Agastya International Foundation	Education
Aishwarya Trust	Healthcare
Annamrita Foundation	Healthcare
Anudip Foundation for Social Welfare	Skilling & Livelihoods
Avasara Leadership Institute	Education
Balipara Tract & Frontier Foundation	Environment
Bombay Community Public Trust	Education & Healthcare
CanCare Trust	Healthcare
Centre for Environmental Research and Education	Environment
CEPT Research and Development Foundation	Sanitation
Changanacherry Social Service Society	Community Development
CMC Vellore Association	Healthcare
Collective Good Foundation	Sanitation
Cuddles Foundation	Healthcare
Dr Shroff's Charity Eye Hospital	Healthcare
Edelgive Foundation	Education
ENABLE India	Differently Abled
Ernakulam Social Service Society	Community Development
Foundation for Promotion of Sports and Games	Sports
Foundation to Educate Girls Globally	Education
Genesis Foundation	Healthcare
Gramalaya Trust	Sanitation
Harsha Trust	Skilling & Livelihoods
Hiralal Parekh Parivar Charity Trust	Environment
I Hear Foundation	Differently Abled
Indian Cancer Society	Healthcare
Indian Institute of Technology, Madras	Healthcare
International Foundation for Research and Education	Education
Jai Vakeel Foundation and Research Centre	Differently Abled
Lend a Hand India	Education
Maan Deshi Foundation	Skilling & Livelihoods
Medical Research Foundation	Healthcare
Narayana Hrudayalaya Charitable Trust	Healthcare
Paani Foundation	Environment
Professional Assistance for Development Action (PRADAN)	Skilling & Livelihoods
Sampark Foundation	Education
Sense International (India)	Differently Abled

Organisation

Shelter Associates
 St Jude India Childcare Centres
 Teach to Lead
 The Akanksha Foundation
 The Akshaya Patra Foundation
 The Antara Foundation
 The Association of People with Disability
 The Foundation for Medical Research
 Ummeed Child Development Center
 Vision Foundation of India
 Vision Spring
 Vrutti
 Wildlife Conservation Trust
 Yugrishi Shriram Sharma Acharya Charitable Trust
 Yuva Mitra
 Yuva Unstoppable

Sector

Sanitation
 Healthcare
 Education
 Education
 Healthcare
 Healthcare
 Differently Abled
 Healthcare
 Differently Abled
 Healthcare
 Healthcare
 Skilling & Livelihoods
 Environment
 Skilling & Livelihoods
 Skilling & Livelihoods
 Sanitation

The complete list of implementing agencies is available for inspection.

- II Cumulative expenditure on programmes includes expenditure incurred for an ongoing project/programme from earlier years to the current reporting period.
6. **In case the Company has failed to spend 2% of the average net profit of the last 3 financial years or any part thereof, the Company shall provide the reasons for not spending the amount:**
 Not applicable.
7. **The CSR Committee hereby confirms that the implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and policy of HDFC.**

For Housing Development Finance Corporation Limited

MUMBAI
 May 25, 2020

KEKI M. MISTRY
 Vice Chairman & CEO

DEEPAK S. PAREKH
 Chairman - CSR Committee