

HDFC ASSET MANAGEMENT COMPANY LIMITED CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

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CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

Preamble:

HDFC Asset Management Company Limited (AMC) is a subsidiary of HDFC Ltd. Being a part of the HDFC group, corporate social responsibility (CSR) is an important part of AMC's culture and value systems. AMC had set up a separate Corporate Social Responsibility Fund with the object of participating and supporting projects undertaken by Non-Governmental organizations (NGOs), community groups and others; for social/ philanthropic causes, investor centric initiatives, well before the CSR provisions / rules were effective under the Companies Act, 2013 (Act).

As an Investment Manager to HDFC Mutual Fund, one of our unique initiative for CSR was launching series of Cancer Cure Funds partnering with Indian Cancer Society (ICS) to provide financial assistance to the needy cancer patients for their treatment by tapping those investors who would be willing to donate part of the dividend or entire dividend declared, if any, under the scheme for this purpose.

Our Vision:

To be a dominant player in the Indian mutual fund space recognized for its high levels of ethical and professional conduct and a commitment towards enhancing investor interests. Our CSR initiatives will be aligned with the same principles to serve a social purpose, sustainable development of the society and the environment in which it operates.

Our Policy:

- Be part of
 - **Promotion of Sports** by encouraging budding athletes in India to win medals for the country;
 - Promotion of **Healthcare and Preventive health care**;
 - Promotion of **Education** for providing assistance to children's educations, mid-day meals, etc;
- Undertake any other activities enumerated in Schedule VII of the Act; and
- Collaborate with other companies for undertaking CSR projects or programme, as decided by the CSR Committee.

CSR Committee:

The Board of Directors of the AMC has constituted a Corporate Social Responsibility (CSR) Committee of Directors to review the CSR activities, scope of the CSR Policy, recommend the amount to be spent /contribution to be made for CSR activities/projects; lay down process for undertaking CSR activities, mechanism for monitoring and reviewing the implementation of the projects undertaken under AMC's CSR initiatives.

The Committee shall recommend to contribute funds for building the CSR capacities of personnel for AMC as well as contribute for the same to external institutions (with established track records of at least three financial years in undertaking similar CSR programs or projects), through which it may undertake its CSR activities, but such expenditure shall not exceed 5% of total CSR expenditure of the Company in one financial year.

The CSR Committee is authorized to consider other CSR activities that are not falling under the above areas. The Committee is also authorized to respond to different situations and challenges appropriately and flexibly, which may not be specifically stated in the CSR Policy, provided such activities are enumerated in Schedule VII of the Act.

Our Partners and Strategy:

We believe in partnering with like minded bilateral and unilateral agencies to share ideas that will help us in implementing our policy for CSR. AMC's expertise will be utilized jointly with those of our partners to achieve AMC's CSR vision. We would be undertaking CSR activities either making contributions to not for profit organizations including specific funds maintained by Central Government, etc and also partnering with our Group entities for group level CSR activities/projects or otherwise. We may also contribute to any Foundations established by our Parent Company/group companies. In line with the Rules on CSR issued under the Act (*Rules*), we would undertake CSR activities through registered trust or a registered society or a company established by us and/ or by our holding company or any associate company provided it fulfills the criteria specified in the Rules.

Projects & Programme:

In line with the provisions of the Act, AMC shall spend its CSR funds for the CSR activities listed in Schedule VII of the Act. The CSR Committee of AMC is entrusted with the authority to

(a) formulate, review and recommend to the Board, Corporate Social Responsibility Policy, indicating the activities to be undertaken by the company towards CSR; (b) recommend the amount of expenditure to be incurred on the CSR activities; and (c) monitor the compliance of CSR Policy and formulation of a transparent monitoring mechanism for implementation of the CSR projects, programmes or activities undertaken by the Company by partnering with NGOs.

In furtherance and continuation with its social/ philanthropic causes carried in the previous years, we shall support and assist the CSR activities in the following areas:

Promotion of Education:

We will partner with schools, NGOs, Trust, societies, organizations and foundations providing a platform of excellence to students, expanding educational horizons/teaching methodology, working in the field of providing primary/secondary education, engaged in literacy programmes, providing vocational teachers trainings, etc.

Health Care Promotion:

Our partnering will be with such NGOs, Trust, societies, organizations and foundations, hospitals which offer health care to needy patients, building hospitals, providing medical facilities, providing free treatment/subsidized rates for treatment to children from poor family and under privileged and middle class families.

Promotion of Sports:

AMC believes in supporting Foundations /NGOs, Trust which promotes sports, provide training to Indian athletes, have mission to make Indian athletes into Olympic champions.

Child Welfare:

We have partnered earlier with NGOs/Trusts which provide mid-day meals to school children and we shall continue partnering with such NGOs and also partner with organizations/NGOs/Trusts which work in the field of child welfare, street children rehabilitation and other child welfare rehabilitations.

Other CSR activities

The CSR Committee of the AMC will approve, partnering with NGO/Trusts in accordance with the CSR activities that the AMC proposes to undertake.

The CSR committee shall adhere to processes as detailed below for undertaking any CSR activities:

- i) NGOs/Trust/Societies/Foundations/Organizations with whom AMC will partner for CSR activities shall have all requisite statutory approvals including approvals under Income Tax Act, 1961 and other applicable laws;

- ii) Modalities of execution of the CSR project by the CSR partners to be detailed in a Memorandum of Understanding or vide a letter which shall also contain the key terms of CSR contributions, responsibilities and monitoring and reporting requirements;
- iii) Disbursement of the CSR contribution will be upon furnishing of the project reports/ status reports of CSR projects/programmes, as applicable.

Monitoring and Review:

AMC believes in being involved in the monitoring and review process by getting firsthand information. AMC will endeavour wherever feasible through its Senior Management Personnel to be part of the Committee(s) that will be set up by our Partners to enable it to get personal feedback on the utilization of the contribution and the total expenditure incurred by our Partners on the CSR projects.

In addition, the CSR Committee on periodic basis will review the project reports and progress reports of the Projects undertaken by our Partners. AMC will also monitor the contribution made to NGOs/ Projects undertaken by evaluating, reviewing the audited financials (where available), and progress reports. If required, AMC officials will also make periodic field visits to the Project sites and hold meetings with the Partners. The CSR Committee may engage external agencies to evaluate the CSR projects and monitor its progress. The Committee would monitor the implementation of the CSR projects and the utilization of the CSR amount.

AMC shall consider the following modes of support:

1. Financial support (monetary donation, grants);
2. In-kind giving;
3. Other material support;
4. Employee volunteering (making time, skills, mentoring etc.)

AMC will encourage its employees to contribute to CSR initiatives by matching charitable donations rupee for rupee through a program. It will also encourage its employees to donate their time to local causes and will accommodate reasonable requests for time away from the office to engage in community activities.

Activities not qualifying as CSR Activities:

The following activities do not qualify as CSR activities under the Act and Rules made thereto:

- 1) Projects or activities not falling within Schedule VII of the Act;
- 2) Activities undertaken in pursuance of normal course of business;
- 3) Projects or programs or activities that benefit only the employees of the Company and their families;
- 4) Direct or indirect contribution to any political party.

CSR Contribution:

AMC subject to the provisions of the Act and rules thereto, shall endeavor to spend in every financial year, at least 2% of its average Net Profits made during the 3 immediately preceding financial years on the Projects stated in the our AMC CSR Policy or any other amount as required as per Act.

The CSR Committee will decide on the following with regard to spending of CSR contribution:

- Approval of the projects/activities to be undertaken provided the same fall within the purview of activities mentioned in Schedule VII of the Act and as amended from time to time;
- Percentage of total amount to be contributed to such earmarked projects; and
- Tranches of disbursement.

Any surplus arising from CSR projects or programs or activities will not form part of the business profits of the AMC. Any income arising from the contribution received and surplus arising out of the CSR activities will be used for CSR only.

Reporting:

At least once a year, the CSR Committee shall report to the Board, the status of the CSR activities and contribution made thereto on the CSR Projects/activities.

The contents of the CSR Policy shall be displayed on the website of the Company and the Board's Report, in the manner prescribed under the Act.

A report on CSR pertaining to each financial year shall also be displayed on the website www.hdfcfund.com and the Board's Report in the manner prescribed under the Act.

Governing Law:

All terms or expressions not defined in this Policy would bear the same meanings as defined under the Act including rules, guidelines issued thereunder and any amendments thereto.

The reference of "Company" or "AMC" or "We" or "Our" in this Policy would mean HDFC Asset Management Company Limited.

This Corporate Social Responsibility Policy has been formally adopted and approved by Board of Directors of the Company in their meeting held on June 13, 2014, in accordance with Section 135 of the Act and rules made thereunder to undertake CSR activities.

Our CSR activities are detailed in **Annexure A** attached hereto and the same shall be revised/updated on an annual basis as per the CSR activities approved by the CSR Committee. The activities described in **Annexure A** are within the purview of the list of activities provided under Schedule VII (as amended) of the Act.