Annexure - 4

BUSINESS RESPONSIBILITY REPORT

Section A: General Information about the Company

1.	Corporate Identification Number (CIN) of the Company	L74899DL1970GOI005276
2.	Name of the Company	Housing and Urban Development Corporation Limited
3.	Address of the Registered office	HUDCO Bhawan, India Habitat Centre, Lodhi Road, New Delhi – 110003
4.	Website	www.hudco.org
5.	E-mail id	cswhudco@hudco.org
6.	Financial Year reported	2017-18
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	HUDCO is a Housing Finance Company and is primarily engaged in carrying out activities pertaining to Housing Finance and Non-Housing Loan pertaining to infrastructure development. NIC Code -65922
8.	List three key products/services that the Company manufactures/provides (as in balance sheet)	Housing Finance Other loans pertaining to infrastructure development Consultancy Services
9.	Total number of locations where business activity is undertaken by the Company i. Number of International Locations (Provide details of major five) ii. Number of National Locations	As on 31st March, 2018, the operations of the company are carried out through 21 Regional Offices and 11 Development Offices located all over India. The Company has no overseas office.
10.	Markets served by the Company-Local/State/National/ International	HUDCO has pan India presence and its area of operations are spread at National level all over India.

Section B: Financial details of the Company (as on 31st March, 2018)

1.	Paid up Capital (INR) in crore	2001.90
2.	Total Turnover (INR) in crore (excluding other income)	4075.42
3.	Total profit after taxes (INR) in crore for the financial year ended on 31st March, 2018	799.06
4.	Total spending on Corporate Social Responsibility (CSR) as percentage of the profit after tax (%)	During the financial year, the Company has spent ₹ 1229.05 lakh (being 1.538% of the profit after tax) on CSR activities. (Refer to point no. 42 of note no. 26 of the financial statements)
5.	List of activities in which expenditure in 4 above has been incurred	HUDCO has spent its CSR assistance during the year on various flagship programmes of the Government of India like 'Swachh Bharat' Skill India, Sanitation and Education, etc. The activities covered under CSR assistance were Night Shelters, Sanitation, Solid Waste management projects, skill training and education, etc.

Section C: Other details

1.	Does the Company have any Subsidiary Company/ Companies?	As on 31st March, 2018, HUDCO has three Joint Venture(s) namely a) Pragati Social Infrastructure & Development Ltd. (PSIDL) b) Shristi Urban Infrastructure Development Ltd. (SUIDL) c) Signa Infrastructure India Ltd. (SIIL), And one Associate namely Ind Bank Housing Limited (IBHL) and do not have any Subsidiary Company. During the financial year 2015-16, HUDCO has decided to exist from joint venture companies by invoking the exit clauses, as the performance of these joint ventures was not found to be satisfactory. The Company is in the process of existing from these joint ventures. In the case of IBHL, an associate Company, HUDCO has invested ₹ 2.50 crore, being 25% of the paid up equity share capital of the investee Company. The investment in HUDCO books is appearing at ₹ 1 only.
2.	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	Not applicable.
3.	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities?	No other Companies/entities participate in Company's BR initiatives.

Section D: BR Information

1. Details of Director/Directors/ BR head responsible for the implementation of the BR policy/policies.

Name	DIN	Designation
Shri Nand Lal Manjoka	06560566	Director (Corporate Planning)
Shri Rakesh Kumar Arora	02772248	Director (Finance)

2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)

As per 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business', there are nine Principles which need to be adopted by certain listed companies. The brief areas are as under:

P1- Business should conduct and govern themselves with Ethics, Transparency and Accountability.

P2- Business should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

P3- Business should promote the well-being of all employees.

P4- Business should respect the interest of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

P5- Business should respect and promote human rights.

P6- Businesses should respect, protect and make efforts to restore the environment.

P7- Businesses, when engaged in influences public and regulatory policy should do so in a responsible manner.

P8- Businesses should support inclusive growth and equitable development.

P9- Businesses should engage with and provide value to their customers and consumers in a responsible manner.

The principle wise responses on the above are mentioned below:

		Business Ethics	Product Responsibility	Wellbeing of Employee	Stake-holder engage-ment	Human Rights	Environment	Public Policy	CSR	Customer relations
Sl. No.	**Questions**	**P1**	**P2**	**P3**	**P4**	**P5**	**P6**	**P7**	**P8**	**P9**
1.	Do you have a policy / policies for.	Y	HUDCO being an HFC, hence, principle has limited applicability	Y	Y	Y	The policy is embedded in company's various policies and practices.	The policy is embedded in company's various policies and practices.	Y	The policy is embedded in company's HR policies and practices.
2.	Has the policy been formulated in consultation with the relevant stakeholders?	Y	-	Y	Y	Y	-	-	Y	-
3.	Does the policy conform to any national / international standards?	Y	-	Y	Y	Y	-	-	Y	-
4.	Has the policy been approved by the Board? If yes, has it been signed by MD / owner / CEO / appropriate Board Director?	Y	-	Y	Y	Y	-	-	Y	-
5.	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	y	-	Y	Y	Y	-	-	Y	-
6.	Indicate the link for the policy to be viewed online?	www. hudco. org	-	www. hudco. org	www. hudco. org	www. hudco. org	-	-	www. hudco. org	-
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	-	Y	Y	Y	-	-	Y	-
8.	Does the company have in-house structure to implement the policy / policies?	Y	-	Y	Y	Y	-	-	Y	-
9.	Does the company have a grievance redressal mechanism related to the policy / policies to address stakeholder grievances related to the policy / policies?	Y	-	Y	Y	Y	-	-	Y	-
10.	Has the company carried out independent audit evaluation of the working of this policy by an internal or external agency?	Y	-	Y	Y	Y	-	-	Y	-

3. Governance related to BR

- **Indicate the frequency with which in the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.**

  This being a first year of its implementation in the Company, the same will be reviewed by Board on annual basis as a part of Directors Report.

- **Does the company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

  The Business Responsibility Report will be published as a part of Annual Report from the financial year 2017-18 onwards and the same shall be uploaded on the website of the Company namely : www.hudco.org.

Section E: Principle-wise performance

Principle 1

Business should conduct and govern themselves with Ethics, Transparency and Accountability

1. Does the policy relate to ethics, bribery and corruption cover only the Company? Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors/ NGOs/ others?

HUDCO considers Corporate Governance as an integral part of good management and is committed to act professionally, fairly and with integrity in all its dealings. The affairs of the Company are conducted in a professional ethical manner without zero compromise on bribery and corruption.

The Company has put in place various policies like Code of Conduct for Board members and Senior Management personnel, Prevention of Insider Trading and Prevention of Fraud Policy, etc., for conducting the affairs of the Company in a professional and transparent manner. The Company has also established the Vigil mechanism and a policy on Whistle Blower to encourage honest and upright persons to assist the organization in bringing full transparency and checking malpractices in its operations.

HUDCO has a Vigilance Department headed by Chief Vigilance Officer and at present the main thrust of CVD is being laid on completion of long pending departmental proceedings expeditiously. The emphasis of CVD is also on prompt action on the complaints received

The Company does not have any Group/NGO. Further, HUDCO being a finance company also does not have any suppliers/ contractors. However, the Company follow the guidelines issued by Government/ DPE, etc., from time to time with respect to procurement of goods/ services, etc.

As on 31st March, 2018, HUDCO has three Joint Venture(s) namely;

a) Pragati Social Infrastructure & Development Ltd. (PSIDL);

b) Shristi Urban Infrastructure Development Ltd. (SUIDL);

c) Signa Infrastructure India Ltd. (SIIL);

And one Associate namely Ind Bank Housing Limited (IBHL) and do not have any Subsidiary Company.

During the financial year 2015-16, HUDCO has decided to exit from joint venture companies by invoking the exit clauses, as the performance of these joint ventures was not found to be satisfactory. The Company is in the process of exiting from these joint ventures.

In the case of IBHL, an associate Company, HUDCO has invested ₹ 2.50 crore, being 25% of the paid up equity share capital of the investee Company. The investment in HUDCO books is appearing at ₹ 1 only.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?

During the financial year 2017-18 ending on 31st march, 2018, Company has received 2002 complaints from its stakeholders/ customers, out of which 1977 complaints were resolved satisfactorily by the management. Further, Company has received 455 grievances from the shareholders of the company, which have been fully resolved except 22, which were resolved subsequently in the month of April, 2018.

Principle 2

Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

1. List upto 3 products or services whose design has incorporated social or environmental concerns, risks and/or opportunities

The main business of HUDCO is to provide loan/financial assistance to the Government/ Government Agencies. As the Company is not involved in any manufacturing activities, hence, this principle has very limited applicability

At the time of appraisal of proposals, it is ensured that the necessary clearances from the environmental point of view have either been received/ are being received. The Company through its various CSR activities has also contributed towards environmental friendly projects. HUDCO provides a clean, safe and healthy work environment for employees, investors and its stakeholders.

2. For each product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product:

Not Applicable

3. **Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably?**

   Not Applicable

4. **Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

   Not Applicable.

5. **Does the company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste.**

   Not Applicable.

Principle 3

Businesses should promote the wellbeing of all employees

1. **Total number of employees:**

   As on 31st March, 2018, HUDCO has a total strength of employees as 869 in number.

2. **Please indicate the total number of employees hired on temporary/ contractual/ casual basis:**

   As on 31st March, 2018, in addition to position indicated at 1 above, HUDCO has hired 196 number of employees on temporary/ contractual/ casual basis.

3. **Please indicate the number of permanent women employees:**

   As on 31st March, 2018, HUDCO had 253 number of women employees, representing 29 % of the total workforce.

4. **Please indicate the number of permanent employees with disabilities:**

   As on 31st March, 2018, HUDCO has 17 numbers of employees with disabilities.

5. **Do you have an employee association that is recognized by management?**

   There is no employee association in HUDCO, which is recognized by the management.

6. **What percentage of your permanent employees is members of this recognized employee association?**

   Not applicable.

7. **Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

Sl. No.	Category	No. of previous year pending complaints	No. of complaints filed during the FY 2017-18	No. of complaints pending as on 31st March, 2018
1.	Child labour/ forced labour/ involuntary labour	NIL	NIL	NIL
2.	Sexual harassment	NIL	NIL	NIL
3.	Discriminatory employment	NIL	NIL	NIL

8. **What percentage of your under mentioned employees were given safety & skill up-gradation training in last year?**

   - Permanent Employees 16 %
   - Permanent Women Employees 22%*
   - Casual/Temporary/contractual Employees -
   - Employees with Disabilities 12%**

   * w.r.t total strength of women employees

   ** w.r.t. total strength of disabled employees

Principle 4

Businesses should respect the interests of/ and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

1. **Has the company mapped its internal and external stakeholders?**

   The Company has mapped its internal and external stakeholders like its employees, promoters, various State Government and State Government Agencies, business associates, shareholders, bond holders, suppliers and regulatory agencies, etc. In order to map its internal and external stakeholders, HUDCO has taken various initiatives.

   In order to strengthen Industry- Institutions relationship, HUDCO is imparting professional/ on the job training to students from various disciplines like Finance, Company Secretary, Legal, Architecture, etc. The Company values the cooperation and support extended by its various stakeholders during the period under review.

   With a view to boost the morale of the employees, HUDCO recognize the contribution made by its employees by conferring Long Service Awards on the Annual Foundation Day. To commemorate the occasion of International Women's Day on line of the Government of India, HUDCO introduced Nari Shakti Award to be given to the deserving women employees of HUDCO every year. This gesture is to motivate the Women employees and recognize their inherent potential through these awards.

   Further, to give recognition and felicitate innovative ideas and initiatives that contribute to make our cities inclusive, livable and environmentally sustainable, HUDCO has instituted, HUDCO Design Award, which is given the professionals from the different field on the HUDCO foundation day every year. HUDCO also sponsors HUDCO NASA Design Trophy each year to encourage and appreciate young architecture students.

2. **Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?**

   The Company has identified the disadvantaged, vulnerable & marginalized stakeholders, which includes all reserved category of employees like SC/ST/OBC/ PWD & Minorities and various entrepreneurs reserved under the Micro, Small & Medium Enterprises (MSME) Policy.

3. **Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.**

   All Government of India notifications/ directives issued from time to time with regard to welfare of SC/ST/OBC/PWD & Minorities categories of employees and reservation of goods to be procured from the Micro and Small Enterprises (MSME) are being followed in the Company in its letter and spirit. Further, with a view to hone the skills of employees of these categories, development programme are being undertaken in various strategic, functional and behavioural area of employees besides various other welfare measures.

Principle 5

Businesses should respect and promote human rights

1. **Does the policy of the company on human rights cover only the company or extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?**

   All HR Policies of HUDCO are applicable to all its employees posted in its all the 21 number of Regional Offices, 11 number of Development Offices and its Corporate/Registered Office at New Delhi only. HUDCO believes in adherence to all the human rights and ensures that there is no discrimination of employees/ stakeholders based on caste, creed, gender, region, etc., irrespective of their position and respects every employees/ stakeholder with dignity.

   As on 31st March, 2018, HUDCO has three Joint Venture(s) namely: Pragati Social Infrastructure & Development Ltd. (PSIDL); Shristi Urban Infrastructure Development Ltd. (SUIDL) ; Signa Infrastructure India Ltd. (SIIL) and one Associate namely Ind Bank Housing Limited (IBHL) and do not have any Subsidiary Company.

   During the financial year 2015-16, HUDCO has decided to exit from joint venture companies by invoking the exit clauses, as the performance of these joint ventures was not found to be satisfactory. The Company is in the process of exiting from these joint ventures.

   In the case of IBHL, an associate Company, HUDCO has invested ₹ 2.50 crore, being 25% of the paid up equity share capital of the investee Company. The investment in HUDCO books is appearing at ₹ 1 only.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

   No complaint on human right, such as child labour, forced labour, involuntary labour, sexual harassment, discrimination etc., was received/ pending as on 31st March, 2018.

Principle 6

Business should respect, protect and make efforts to restore the environment

1. **Does the policy related to Principle 6 cover only the company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / others.**

   HUDCO is a Housing Finance Company providing financial assistance to the Government/ Government Agencies and is not involved in any manufacturing activities; hence, this principle has very limited applicability

   HUDCO, being a environmental conscious organization, has taken various initiatives in the field of protecting environment. At the time of appraisal technical viability of projects, it is ensured that the proposed projects are environment friendly and necessary clearances from environmental point of view are either in place/ are being obtained.

   The Company through its various CSR activities has also contributed towards environmental friendly projects. The Company provides a clean, safe and healthy work environment for employees, investors and its stakeholders.

2. **Does company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.?**

   Not applicable since company is engaged in providing finance.

3. **Does the company identify and assess potential environmental risks?**

   As HUDCO is a finance Company and is not a manufacturing company, hence, this point is not applicable.

4. **Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?**

   Not applicable

5. **Has the Company undertaken any other initiatives on-clean technology, energy efficiency, renewable energy, etc. If yes, please give hyperlink for web page etc.**

   Your Company being a Housing Finance Company is not engaged in any manufacturing operations, hence, its present area of operations are not energy intensive.

   Your Company being energy conscious has taken lot of initiatives/ steps with a view to conserve energy both at its Head Office and its Regional Offices such as replacement of high power consuming equipments with low energy consuming equipments, replacement of CFL with LED lights and maximum use of natural lights in its day to day operations. Further, Company has also installed solar panels with a view to conserve energy. All these efforts have resulted in power saving both in terms of its usage and cost.

6. **Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

   Not Applicable

7. **Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of financial year.**

   Not Applicable

Principle 7

Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. **Is your Company a member of any trade and chamber or association? If yes, name only those major ones that your business deals with.**

   HUDCO has taken corporate membership of various Professional Bodies/Institutions like PHDCCI (PHD Chamber of Commerce and Industry), SCOPE (Standing Conference of Public Enterprises), NAREDCO (National Real Estate Development Council), IBC (Indian Building Congress), IHC (India Habitat Centre), IIC (India International Centre), etc., from time to time and has been substantially benefited by its participation, interaction and representations on various Committees and national level policy seminars conducted by these organizations from time to time during the period under report.

2. **Have you advocated/ lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development policies, Energy security, Water, Food security, Sustainable business Principles, Others)**

   Areas concerning HUDCO's interest are discussed at various platforms. HUDCO supports the initiatives taken by the various associations towards advancement or improvement of public good.

Principle 8

Businesses should support inclusive growth and equitable development

1. **Does the Company have specified programmes/initiatives/ projects in pursuit of the policy related to Principle 8? If yes, details thereof:**

   Company undertakes CSR activities as per thrust areas approved by the Board of Directors, in line with Schedule VII of Companies Act, 2013.

2. **Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/ any other organization?**

   The programmes/ projects undertaken by Government/ Government Bodies/ Government Agencies through the Regional Offices in coordination with CSR Cell at Corporate Office.

3. **Have you done any impact assessment of your initiative?**

   HUDCO's all CSR programmes/ projects are implemented through Government Agencies and handed over to local Government Bodies, therefore the impact analysis is being conducted by them independently.

4. **What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?**

   Company has provided contribution to community development through construction of toilets, night shelters, and through provisions of class rooms for promotion of education etc. Company Contribution in terms of Projects undertaken during the year was as under:

(₹ in lakh)

Sl. No.	Project Activity	Amount Sanctioned	Amount Released
1.	Contribution to Swachh Bharat Kosh	800.00	800.00
2.	Solid Waste management	122.03	-
3.	Construction of Toilets	112.50	-
4.	Construction of night shelters	70.00	-
5.	Construction of Bus Shelters alongwith toilets	195.00	-
6.	Skill training of Tribal Youth	49.80	-
7.	Provision of furniture in Government Schools	397.10	-
8.	Construction of Building for Innovation Centre.	75.00	-
9.	Amount released against projects sanctioned in the previous years 2014-15, 2015-16 and 2016-17	-	429.05
	Total	**1821.43**	**1229.05**

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words or so.**

   Construction of Community/Pay & use toilets, Night shelters and Class rooms etc. are the basic amenities needed for development of any community.

Principle 9

Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. **What percentage of customer complaints/consumer cases are pending as on the end of the financial year?**

   All the complaints received from various stakeholders during the period have been satisfactorily resolved. The same has been explained in point no. 2 under Principle No. 2 of the report.

2. **Does the company display product information on the product label, over and above what is mandated as per local laws?**

   Not applicable

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/ or anti-competitive behavior during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so.

During the normal course of business of the Company, there are few complaints /cases filed by the customers towards redressal of their grievances with the Company/ other forums and the same are being attended to in terms of the contractual terms and conditions and other applicable guidelines for their resolution. In percentage terms, keeping in view the operations of the company, the same are not significant.

4. Did your Company carry out any consumer survey/consumer satisfaction trends?

HUDCO is very conscious of the satisfaction of its customers and the grievance, of the customers, if any, are resolved on top priority. The Company has adequate internal mechanism for resolution of grievances of its stakeholders. Every year, on the foundation day of the Company, HUDCO invites its major customers/ various agencies from all over India where they share their experiences with the management. Based on the feedback received from them, various strategies/ action plans are prepared for further strengthening/ improving the services to the customers. The customers/agencies are honored every year on the foundation day, based on their contribution towards the growth of the Company on various fronts.