



# **HOUSING AND URBAN DEVELOPMENT CORPORATION LIMITED**

CIN: L74899DL1970GOI005276

## **HUDCO's CODE OF CONDUCT AND ETHICS**

As per Regulation 17(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

(As approved by Board of the Company in its 595<sup>th</sup> meeting held on 30<sup>th</sup> May, 2018)



## 1. INTRODUCTION

- 1.1 This Code of Conduct and Ethics ("this Code") shall be called "The Code of Conduct & Ethics of Housing and Urban Development Corporation Limited (HUDCO) (hereinafter referred to as "the Company").
- 1.2 This Code is in alignment with Company's Vision and Mission to achieve the Mission and Objectives and aims at enhancing ethical and transparent process in managing the affairs of the Company.
- 1.3 The matters covered under this Code are of utmost importance to the Company, its stakeholders and business partners. Further these are essential so that the business is conducted in accordance with the stated values of the Company.
- 1.4 This Code has now been framed specifically in compliance with the provisions of SEBI (Listing Obligation and Disclosure Requirement), Regulations, 2015, the Companies Act, 2013 and as per the DPE Guidelines.
- 1.5 In terms of the Regulation 17(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is mandatory for the Corporation to formulate and adopt a Code of Conduct, duly approved by its Board of Directors ('the Board').

## 2. DEFINITION & INTERPRETATIONS

In this Code, unless repugnant to the meaning or context thereof, the following expressions, wherever used in this Code, shall have the meaning assigned to them below:

- 2.1 "Board of directors or Board" in relation to a company means the collective body of the Directors of the company.
- 2.2 "Key Managerial Personnel (KMP)" shall have the same meaning as defined in Section 2(51) of the Companies Act, 2013.
- 2.3 "Independent Director" shall mean an Independent Director as defined in section 2(47) and Section 149(6) of the Companies Act, 2013.



- 2.4 "Company" shall mean the Housing and Urban Development Corporation Limited.
- 2.5 "Relative" shall have the same meaning assigned to the term in Sections 2(77) of the Companies Act, 2013.
- 2.6 "Senior Management Personnel" includes Senior Executive Directors, being one level below the Functional Directors and Executive Directors being Functional Heads in general.

In this Code, words importing masculine shall include feminine and words importing singular shall include plural or vice versa.

### 3. APPLICABILITY

- 3.1 This Code of Conduct shall be applicable to the following personnel:
- All Whole-time Directors including the Chairman & Managing Director of the Company.
  - All Part-time Official & Non-official Directors (Independent and Government Nominee Directors) unless specifically exempted from some of the provisions of this Code.
  - Key Managerial Personnel (KMPs).
  - Senior Management Personnel (SMPs).
- 3.2 The Whole-time Directors and Senior Management should continue to comply with other applicable/ to be applicable policies, rules and procedures of the company.

### 4. KEY REQUIREMENTS

- 4.1 Ethical business conduct is critical to a business. Accordingly, the Board of Directors, KMP's and SMPs of the Company are expected to read and understand this Code and uphold these standards in day to day activities. They shall act within the authority conferred upon them, keeping the best interest of the Company in view and shall observe the following:
- Act in the best interests of, and fulfill their fiduciary obligations to the Company;
  - Act honestly, fairly, ethically and with integrity;
  - Conduct themselves in a professional, courteous and respectful manner and not take improper advantage of the position of Director;



- d. Act in a socially responsible manner, within the applicable laws, rules and regulations, customs and traditions of the countries in which the Company operates;
- e. Comply with communication and other policies of the Company;
- f. Act in good faith, responsibly, with due care, competence and diligence, without allowing their independent judgment to be subordinated;
- g. Not to use the Company's property or position for personal gain;
- h. Not to use any information or opportunity received by them in their capacity as Directors in a manner that would be detrimental to the Company's interests;
- i. Act in a manner to enhance and maintain the reputation of the Company;
- j. Disclose any personal interest that they may have regarding any matters that may come before the Board and abstain from discussion, voting or otherwise influencing a decision on any matter in which the concerned Director has or may have such an interest;
- k. Abstain from discussion, voting or otherwise influencing a decision on any matters that may come before the board in which they may have a conflict or potential conflict of interest;
- l. Respect the confidentiality of information relating to the affairs of the Company acquired in the course of their service as Directors, except when authorized or legally required to disclose such information;
- m. Not to use confidential information acquired in the course of their service as Directors for their personal advantage or for the advantage of any other entity;
- n. Help create and maintain a culture of high ethical standards and commitment to compliance;
- o. Keep the Board informed in an appropriate and timely manner any information in the knowledge of the member which is related to the decision making or is otherwise critical for the company;



- p. Treat the other members of the Board and other persons connected with the Company with respect, dignity, fairness and courtesy.

## 5. DUTIES OF DIRECTORS

The Director(s) of the Company:

- a. shall act in accordance with the articles of the company, subject to the provisions of the Companies Act, 2013 as amended from time to time;
- b. shall act in good faith in order to promote the objects of the company for the benefit of its members as a whole, and in the best interests of the company, its employees, the shareholders, the community and for the protection of environment;
- c. shall exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment;
- d. shall not involve in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the company;
- e. shall not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates and if such director is found guilty of making any undue gain, he shall be liable to pay an amount equal to that gain to the company;
- f. Shall not assign his office and any assignment, if so made, shall be void.

## 6. DUTIES OF INDEPENDENT DIRECTORS

Independent Directors shall perform the following duties in addition to duties specified in point no.5 above i.e. duties of director:

- a. undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
- b. seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the company;



- c. strive to attend all meetings of the Board of Directors and of the Board committees of which he/she is a member;
- d. participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- e. strive to attend the general meetings of the company;
- f. where they have concerns about the running of the company or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board meeting;
- g. keep themselves well informed about the company and the external environment in which it operates;
- h. not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- i. pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the company;
- j. ascertain and ensure that the company has an adequate and functional vigil mechanism and to ensure that the interests of person who uses such mechanism are not prejudicially affected on account of such use;
- k. report concerns about unethical behavior, actual or suspected fraud or violation of the company's Code of Conduct or Ethics Policy;
- l. acting within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
- m. not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.



## Contents of Code

- Part I           General Moral Imperatives.**
- Part II           Specific Professional Responsibilities.**
- Part III          Specific Additional Provisions for Board Members and Senior Management.**

This code is intended to serve as a basis for ethical decision making in the conduct of professional work. It may also serve as a basis for judging the merit of a formal complaint pertaining to violation of professional ethical standards.

It is understood that some words and phrases in the code of ethics and conduct document are subject to varying interpretations. In case of any conflict, the decision of the Board shall be final.



## PART – I

### GENERAL MORAL IMPERATIVES

#### 1. **Contribute to society and human well-being.**

- 1.1 This principle concerning the quality of life of all people, affirms an obligation to protect fundamental human rights and to respect the diversity of all cultures. We must attempt to ensure that the products of our efforts will be used in socially responsible ways, will meet social needs and will avoid harmful effects to health and welfare of others. In addition to a safe social environment, human well-being includes a safe natural environment.
- 1.2 Therefore, all Board Members, KMPs and Senior Management who are accountable for the design, development, manufacture and promotion of company's products, must be alert to, and make others aware of, both a legal and a moral responsibility for the safety and the protection of human life and environment.

#### 2. **Be honest and trustworthy & practice integrity.**

- 2.1 Integrity and honesty are essential components of trust. Without trust an organization cannot function effectively.
- 2.2 All Board Members, KMPs and Senior Management are expected to act in accordance with highest standards of personal and professional integrity, honesty and ethical conduct, while conducting business of the Company.

#### 3. **Be fair and take action not to discriminate.**

The values of equality, tolerance, respect for others, and the principles of equity & justice govern this imperative. Discrimination, on the basis of race, sex, religion, caste, age, disability, national origins or other such factors, is an explicit violation of this Code.

#### 4. **Honour confidentiality.**

- 4.1 The principle of honesty extends to issues of confidentiality of information. The ethical concern is to respect all obligations of confidentiality to all stakeholders unless discharged from such obligations by requirements of the law or other principles of this Code.
- 4.2 All Board Members and Senior Management, therefore, shall maintain the confidentiality of all confidential unpublished information about business and affairs of the Company



## 5. Pledge & Practice

- 5.1 To strive continuously to bring about integrity and transparency in all spheres of the activities.
- 5.2 Work unstintingly for eradication of corruption in all spheres of life.
- 5.3 Remain vigilant and work towards growth and reputation of the Company.
- 5.4 Bring pride to the organization and provide value-based services to Company's stakeholders.
- 5.5 Do duty conscientiously and without fear or favour.

## PART II

### SPECIFIC PROFESSIONAL RESPONSIBILITIES

#### 1. Live the Vision, Mission and Values of HUDCO– each day

Live the Vision, Mission and Values of Housing and Urban Development Corporation Limited each day which are as under:

##### **Vision:**

- “To Be a Leading Techno-Financial Institution Promoting Sustainable Habitat Development for Transforming the Lives of People.”

##### **Mission:**

- “To promote sustainable habitat development to enhance the quality of life.”

##### **Values**

- Zeal to excel and zest for change.
- Integrity and fairness in all matters.
- Respect for dignity and potential of individuals.
- Strict adherence to commitments.
- Ensure speed of response.
- Foster learning, creativity and team-work.
- Loyalty and pride in the CPSE.



**2. Strive to achieve the highest quality, effectiveness and dignity in both the processes and products of professional work**

Excellence is perhaps the most important obligation of a professional. Everyone, therefore, should strive to achieve the highest quality, effectiveness and dignity in their professional work.

**3. Acquire and maintain professional competence**

Excellence depends on individuals who take responsibility for acquiring and maintaining professional competence. All are, therefore, expected to participate in setting standards for appropriate levels of competence, and strive to achieve those standards.

**4. Compliance with Laws**

The Board Members and Senior Management of HUDCO shall comply with all the applicable provisions of existing local, state, national, and international laws. They should also follow and obey the policies, procedures, rules and regulations relating to business of the HUDCO.

**5. Accept and provide appropriate professional review**

Quality professional work depends on professional review and comments. Whenever appropriate, individual members should seek and utilize peer review as well as provide critical review of the work of theirs.

**6. Manage personnel and resources to enhance the quality of working life**

Organizational leaders are responsible for ensuring that a conducive working and business environment is created for fellow employees to enable them delivering their best. The Board Members and Senior Management would be responsible for ensuring human dignity of all employees, would encourage and support the professional development of the employees of the CPSE by providing them all necessary assistance and cooperation, thus enhancing the quality of working.

**7. Be upright and avoid any inducements**

The Board Members and Senior Management shall not, directly or indirectly through their family and other connections, solicit any personal fee, commission or other form of remuneration arising out of transactions involving Company. This includes gifts or other benefits of significant value, which might be extended at times, to influence business for the organization or awarding a contract to an agency, etc.



## **8. Observe Corporate Discipline**

The flow of communication within the HUDCO is not rigid and people are free to express themselves at all levels. Though there is a free exchange of opinions in the process of arriving at a decision, but after the debate is over and a policy consensus has been established, all are expected to adhere and abide by it, even when in certain instances one may not agree with it individually. In some cases, policies act as a guide to action, in others they are designed to put a constraint on action. All must learn to recognize the difference and appreciate why they need to observe them.

## **9. Conduct in a manner that reflects credit to the Company**

All are expected to conduct themselves, both on and off duty, in a manner that reflects credit to the Company. The sum total of their personal attitude and behavior has a bearing on the standing of Company and the way in which it is perceived within the organization and by the public at large.

## **10. Be accountable to Company's stakeholders**

All of those whom we serve, be it our Customers, without whom the Company will not be in business, the Shareholders, who have an important stake in its business, the Employees, who have a vested interest in making it all happen, the Vendors, who support the Company to deliver in time and Society to which Company is responsible for its actions – are stakeholders of the Company. All, therefore, must keep in mind at all times that they are accountable to Company's stakeholders.

## **11. Prevention of Insider Trading**

The Board Member, KMP and Senior Management Personnel shall comply with the code of Internal Procedures and conduct for prevention of Insider Trading in dealing with Securities of the Company.

## **12. Identify, mitigate and manage business risks**

It is everybody's responsibility to follow the Risk Management Framework of the Company to identify the business risks that surround function or area of operation of the Company and to assist in the company-wide process of managing such risks, so that Company may achieve its wider business objectives.



### **13. Protect properties of the Company**

The Board Members and Senior Management shall protect the assets including physical assets, information and intellectual rights of the Company and shall not use the same for personal gains.

## **PART – III SPECIFIC ADDITIONAL PROVISIONS**

### **1. As Board Members and Senior Management**

Shall undertake to actively participate in the meetings of the Board and Committees on which they serve.

### **2. As Board Members**

2.1 Undertake to inform the Chairman and Managing Director/ Company Secretary of the Company of any changes in their other Board positions, relationship with other business and other events/ circumstances / conditions that may interfere with their ability to perform Board/ Board Committee duties or may impact the judgement of the Board as to whether they meet the independence requirements of SEBI (LODR), Regulations, 2015 and the DPE Guidelines.

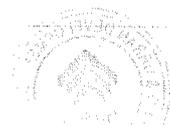
2.2 Undertake that without prior approval of the disinterested members of the Board, they will avoid apparent conflict of interest. Conflict of interest may exist when they have personal interest that may have a potential conflict with the interest of the Company. Illustrative cases can be:

#### **a) Related Party Transactions**

Entering into any transactions or relationship with Company or its subsidiaries/associates in which they have a financial or other personal interest (either directly or indirectly such as through a family member or relation or other person or other organization with which they are associated).

#### **b) Outside Directorship**

Accepting Directorship on the Board of any other Company that competes with the business of the Company.



**c) Consultancy/Business/Employment**

Engaging in any activity (be it in the nature of providing consultancy service, carrying on business, accepting employment) which is likely to interfere or conflict with their duties/ responsibilities towards Company. They should not invest or associate themselves in any other manner with any supplier, service provider or customer of the company.

**d) Use of Official position for personal gains**

Should not use their official position for personal gains.

**3. Compliance with the Code of Conduct and Ethics**

**3.1 All Members of the Board and Senior Management of Company shall uphold and promote the principles of this code.**

The future of the organization depends on both technical and ethical excellence. Not only it is important for Board Members and Senior Management to adhere to the principles expressed in this Code, each of them should also encourage and support adherence by others.

**3.2 Treat violations of this code as inconsistent association with the organization**

Adherence of professionals to a code of ethics is largely and generally a voluntary matter. However, if any of Board Members and Senior Management does not follow this Code, the matter would be reviewed by the Board and its decision shall be final. The Company reserves the right to take appropriate action against the defaulter.

**4. Miscellaneous Points**

**4.1 Continual Updation of Code**

This Code is subject to continuous review and updation in line with any changes in law, changes in Company's philosophy, vision, business plans or otherwise as may be deemed necessary by the Board and all such amendments / modifications shall take effect prospectively from the date stated therein.

**4.2 Where to seek clarifications**

Any member of Board or Senior Management requiring any clarification regarding this code of conduct may contact Company Secretary/ any officer specifically designated by the Board of Directors.



## 5. Amendments

- 5.1 The provisions of the Code can be amended /modified by the Board of Directors of the Company from time to time and all such amendments/modifications shall take effect from the date stated therein.
- 5.2 Any amendment of any provisions of this Code must be approved by the Company's Board of Directors and promptly disclosed in the Company's website pursuant to applicable laws and regulations, together with the details about the nature of amendment.
- 5.3 This Code and any amendment/ modification thereto shall be available on the website of the Company i.e. [www.hudco.org](http://www.hudco.org)

## 6. Annual Compliance Reporting

- 6.1 All the Board Members, KMPs and SMPs shall affirm compliance of this Code within 30 days of close of every financial year. The Annual Report of the Company shall contain a declaration to this effect signed by the Chairman & Managing Director. A Performa of Annual Compliance Report is at **Annexure - I**. The Annual Compliance Report shall be forwarded to the Company Secretary.
- 6.2 The Chairman & Managing Director of the Company shall certify to the Board that there are, to the best of their knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of this Code.

## 7. Non-Compliance with the Code

The Company shall ensure confidentiality and protection to any person who has in good faith, reported a violation or a suspected violation of law, of this Code or other Company policies or against any person who is assisting in any investigation or process with respect to such a violation. Any waiver to this Code, whether the same is in the interest of the Company shall be decided by the Board. The Board Members, KMPs and SMPs shall be required to comply with this Code. Any concern regarding the compliance with the same shall be raised with the Compliance officer i.e., Company Secretary.



## 8. Acknowledgement of receipt of the code

All the Board Members, KMPs and SMPs shall acknowledge receipt of this Code or any modification(s) thereto, in the acknowledgement form as at **Annexure - II** and forward the same to the Company Secretary indicating that they have received, read, understood and agreed to comply with this code.





Annexure - I

**HOUSING AND URBAN DEVELOPMENT CORPORATION LIMITED**

**HUDCO'S CODE OF CONDUCT AND ETHICS  
ANNUAL COMPLIANCE REPORT**

I..... (name).....(designation), having read and understood the HUDCO'S Code of Conduct and Ethics, hereby solemnly affirm that I have complied with and has not violated any of the provisions of the Code during the year ended 31<sup>st</sup> March.....

Signature:

Name:

Designation:

Telephone No.

Date:

Place:



**Annexure – II**

**ACKNOWLEDGEMENT OF RECEIPT  
OF  
HUDCO'S CODE OF CONDUCT AND ETHICS**

I have received and read the code of Conduct and Ethics of Housing and Urban Development Corporation Limited. I understand the standards and policies contained in the said Code of Conduct and Ethics and understand that there may be additional policies or laws specific to my job.

I further agree to comply with the said Code of Conduct and Ethics of Housing and Urban Development Corporation Limited. If I have questions concerning the meaning or application of the said Code of Conduct and Ethics, any policies of the CPSE or the legal and regulatory requirements applicable to my job, I know I can consult Company Secretary of HUDCO knowing that my questions or reports will be maintained in confidence.

Further, I undertake to provide following Affirmation on an Annual basis to the Company within 30 days from end of 31<sup>st</sup> March every year. I further agree to comply with the Company's Code of Conduct and Ethics.

Name:

Designation:

Signature:

Date:



