

Business Responsibility Report

INTRODUCTION

The Securities and Exchange Board of India (SEBI) in 2012 mandated the top 100, and later in 2015 the top 500 listed entities on National Stock Exchange of India Limited and BSE Limited to prepare a 'Business Responsibility Report' as part of the annual report. This is as per clause (f) of sub regulation (2) of regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The report outlines the organization's performance from the environmental, social and governance perspective.

Dewan Housing Finance Corporation Limited ("DHFL") being part of the top 500 listed entities has initiated journey of developing the Business Responsibility Report (BRR) as part of Annual Report from FY 2016-17 onwards based on the suggested framework of SEBI, strengthening its commitment towards transparent disclosure of its environmental and social performance.

Recognizing the prevalent sentiment attached to having one's own home, DHFL set out on a mission to help the citizens fulfill their dreams and was thus established with the objective of providing affordable housing and housing-loans to people from all strata of society. With a focus on the Lower & Medium Income (LMI) segments, DHFL is ushering a new wave of financial inclusion by enabling access to affordable housing finance in semi-urban and rural parts of India.

Continuing on the Company's mission to tackle social issues, DHFL is committed to monitoring and reporting on its other social and environmental performance with the aim of providing a clear picture to the stakeholders and investors.

Section A: General Information about the Company

- 1 Corporate Identity Number (CIN) of the Company:**
L65910MH1984PLC032639
- 2 NHB Registration Number:** 01.004.01
- 3 Name of the Company:** Dewan Housing Finance Corporation Limited
- 4 Registered address:** Warden House, 2nd Floor, Sir P. M. Road, Fort, Mumbai - 400001
- 5 Website:** www.dhfl.com
- 6 E-mail id:** secretarial@dhfl.com
- 7 Financial Year reported:** 2018-19
- 8 Sector(s) that the Company is engaged in (industrial activity code-wise):** NIC Code - 65922 - Carrying out activities of housing finance companies (Housing Loan & Non-Housing Loans)

9 List three key products/services that the Company manufactures/provides (as in balance sheet):

- Housing Loans
- Other property Loans

10 Total number of locations where business activity is undertaken by the Company:

- a. Number of International Locations (Provide details of major 5) – 2 representative offices (London and Dubai).
- b. Number of National Locations – The business operation takes place in 330 locations throughout India which includes 195 Branches, 108 service centres, 19 zonal/ regional/CPU offices, 4 Disbursement Hubs, 1 Administrative Office, 1 Registered Office, 1 Corporate office, 1 National Office and as on March 31, 2019.

11 Markets served by the Company

DHFL has a pan-India network grouped into circles and clusters located across the length and breadth of India. The distribution network in India is mainly spread across Tier II and Tier III cities and towns. Additionally, DHFL has its registered, corporate and national offices in Mumbai and overseas representative offices in London and Dubai.

Section B: Financial Details of the Company

1 Paid up Capital (INR)

₹ 313.82 Crore

2 Total Turnover (INR)

₹ 12,902.52 Crore

3 Total loss after taxes (INR)

₹ 1,036.05 Crore

4 Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):

In the financial year 2018-19, the Company has spent an amount of ₹ 27.19 crore on its flagship/ identified programmes as against ₹ 26.59 crore which was required to be spent for the financial year as per the provisions of the Companies Act, 2013.

5 List of activities in which expenditure in 4 above has been incurred:

The activities where the Company has focused its efforts and funds are mentioned below.

- 1 Early Childhood Care and Education
- 2 Economic empowerment through Financial literacy programs
- 3 Health care and Preventive Health Care
- 4 Village Transformation through focus on Drought Mitigation

Dewan Housing Finance Corporation Limited

- 5 Skill development for sustainable livelihood
 - 6 Child care programs
 - 7 Promoting education and sports among children
 - 8 Supporting art & culture
 - 9 Environmental awareness and protection initiatives
- Appropriate disclosures as prescribed under the Companies Act, 2013 have been made in the Annual Report for the financial year ending March 31, 2019.

Company, limited by guarantee, registered under Section 8 of the Companies Act, 2013 has furthered the Company's CSR Vision and facilitated implementation of high impact initiatives through multi-stakeholder partnership; covering government and non-government organisations. DHFL Foundation has taken the mantle of implementing "Project Sneh" – flagship initiative under Early Childhood Care and Education.

During the year under review, the Company has incorporated a wholly owned subsidiary under the name 'DHFL Holdings Limited' (DHL). The main object of DHL is inter-alia, to carry on the business or businesses of a holding and investment Company, to buy, underwrite, invest in, acquire, hold, deal in and trade in shares, stocks, debentures, debenture-stock, bonds, obligations and securities of any kind of companies or partnership firms or body corporate, whether in India or elsewhere.

Section C: Other Details

1 Does the Company have any Subsidiary Company/ Companies?

The Company has four wholly owned subsidiaries viz; DHFL Advisory & Investments Private Limited, DHFL Investments Limited, DHFL Changing Lives Foundation (Section 8 Company) and DHFL Holdings Limited.

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)

As on date, the Company has four wholly owned subsidiaries. DHFL Changing Lives Foundation (DHFL Foundation), a wholly owned subsidiary of the Company and a Non-Profit

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? [Less than 30%, 30-60%, More than 60%]

No other entities participate in the BR initiatives of the company.

Section D: BR Information

1 Details of Director/Directors responsible for BR

a) Details of the Director/Directors responsible for implementation of the BR policy/policies

| Name | DIN | Designation |
|--------------------|----------|------------------------------|
| Mr. Kapil Wadhawan | 00028528 | Chairman & Managing Director |

b) Details of the BR head

| S.No. | Particulars | Details |
|-------|----------------------------|------------------------------|
| 1. | DIN Number (if applicable) | 00028528 |
| 2. | Name | Mr. Kapil Wadhawan |
| 3. | Designation | Chairman & Managing Director |
| 4. | Telephone number | 022 66006999 |
| 5. | E-mail id | secretarial@dhfl.com |

During the year under review, Mr. Harshil Mehta – Joint Managing Director & CEO, the erstwhile BR – Head resigned with effect from February 13, 2019. Accordingly, the Company had appointed Mr. Kapil Wadhawan – Chairman & Managing Director as the BR Head of the Company.

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

| S. No. | Particulars | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|--------|--|----|----|----|----|----|----|----|----|----|
| 1 | Do you have a policy/policies for... | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 2 | Has the policy being formulated in consultation with the relevant stakeholders? | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 3 | Does the policy conform to any national /international standards? If yes, specify? (50 words) | Y* | Y* | Y* | Y* | Y* | Y* | Y* | Y* | Y* |
| 4 | Has the policy been approved by the Board? Is yes, has it been signed by MD/owner/CEO/appropriate Board Director? | Y | Y | Y | Y | 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 | Y | Y | Y | Y |
| 6 | Indicate the link for the policy to be viewed online? | Y+ | Y+ | Y+ | Y+ | Y+ | Y+ | Y+ | Y+ | Y+ |
| 7 | Has the policy been formally communicated to all relevant internal and external stakeholders? | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 8 | Does the company have in-house structure to implement the policy/policies | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 9 | Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies? | Y | Y | Y | Y | 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 | Y | Y | Y | Y |

(*) – The policies have been developed on the lines of the 'National Voluntary Guidelines on Social, Environment, and Economic responsibilities of businesses' established by the Ministry of Corporate Affairs, Government of India in 2011.

(+) – All the policies are available for employees to view on the Company's intranet. Most of them are also available on the website www.dhfl.com/investors

Note: 1. The principle wise details are provided under Section E of this Report.

2. The Company has in place policies/code with regard to all the principles i.e P1 to P9. During the financial year 2016-17, the Board of Directors formulated Business Responsibility Policy Manual under which all the subject policies/code(s) falling under each principle have been collated

2 (a) If answer to S.No. 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

| S. No. | Particulars | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|--------|---|----|----|----|----|----|----|----|----|----|
| 1 | The company has not understood the Principles | | | | | | | | | |
| 2 | The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles | | | | | | | | | |
| 3 | The company does not have financial or manpower resources available for the task | | | | | | | | | |
| 4 | It is planned to be done within next 6 months | | | | | | | | | |
| 5 | It is planned to be done within the next 1 year | | | | | | | | | |
| 6 | Any other reason (please specify) | | | | | | | | | |

NOT APPLICABLE

3 Governance related to BR

(a) Indicate the frequency with which 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

The Board of Directors assesses the BR performance of the Company on an annual basis.

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The Company has started publishing Business Responsibility Report from FY 2016-17 onwards along with the annual report and the report is uploaded on the website of the Company at <http://www.dhfl.com/investors/annual-reports/>

Section E: Principle-wise performance

Principle 1 (P1): Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

Ethics is fundamental to the way we do business and DHFL is committed to uphold highest standards of integrity and transparency. As a responsible corporate we are cognizant of being accountable for the way we impact the society, economy and environment at large. At DHFL, we stand steadfast to ensuring strict compliance to laws of the land and our employees, directors and value chain partners adhere to the norms of the Company.

The Company has in place the Code of Business Ethics (COBE) which aims at driving ethical behavior, acts as a guideline for ethical decision-making, enhances reputation, prevents negative legal consequences, encourages positive relationships, and prevents discrimination or harassment.

The COBE is a summary of certain policies which all employees are expected to adhere by and failure of which can result in stringent disciplinary action up to and including termination.

Some of the key policies in this code are:

- Maintaining accurate books and records
- Business use of equipment, data, and software
- Protecting confidential information
- Avoiding conflict of interest
- Maintaining a drug-free workplace
- Equal opportunity for employment
- Employee conduct and standards
- Prevention of sexual harassment
- Prevention of insider trading in the securities of the Company
- Release of financial information

1 Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?

Yes, it requires each employee, director, and business associate to abide by the various policies as outlined in the COBE so that reputation of the Company remains intact and we deliver as per the expectations of our stakeholders. Code of Conduct for Board and Senior Management as well as the Fair Practice Code and Whistle Blower Policy ensure that highest standards of personal and professional integrity are maintained within the organization. The Model Code of Conduct for Distributors, Brokers and Intermediaries is a mechanism to ensure that all distributors, brokers and other third party partners comply with the norms of the Company.

2 How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

During the reporting period, the Company has received 29 complaints from its shareholders relating to non-receipt of share transfer/bonus certificate, non-receipt of dividend, non-

receipt of annual report etc. All the complaints were redressed to the satisfaction of the shareholders except five which were received in the month of March, 2019 and remained unresolved at the end of the financial year. The Company also received 18 complaints from fixed deposit holders and 1,674 complaints from its debenture holders and all the complaints stand resolved at the end of the financial year. It is the Company's endeavor to provide the best service to all stakeholders and resolve any complaints that may arise at the earliest.

Principle 2 (P2): Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

As a leading brand in Housing Finance, DHFL is taking concerted efforts in the realm of sustainable products in terms of providing housing loans for the Lower Middle Income (LMI) segment. These products are customized to cater to the needs, aspirations and limitations of the low and middle income group, thus making housing affordable for these sections of the society.

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

DHFL is based on the principles of social inclusion and welfare, where our founder chairman Late Shri Rajesh Kumar Wadhawan dreamt of housing for all in 1984. Since inception, the core focus segment of the Company has been the lower and middle income group. Even today, majority of our home loan portfolio is below ₹ 30 Lakh. This highlights the Company's desire to serve the weaker section of the society and thereby contribute towards social upliftment and inclusion.

In-line with the Government's initiative "Housing for all by 2022", the Company continues to remain committed to its mission of enabling home ownership to every Indian. Apart from this, DHFL actively participates in various schemes of National Housing Bank, such as the Golden Jubilee Rural Housing Refinance scheme and Pradhan Mantri Awas Yojana (PMAY). During the year under review, the Company received an award as the "The Best Performing Primary Lending Institution under CLSS for MIG" for facilitating highest number of Subsidies for MIG 1/2 under PMAY Scheme by the Ministry of Housing and Urban Affairs, Government of India.

Another major area of activity especially in Mumbai is slum-rehabilitation projects. DHFL is a pioneer and has expertise in handling Slum Rehabilitation Authority (SRA) projects for funding, which are fundamental in providing a more hygienic environment and infrastructure.

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

As a financial services organization, the Company is not directly involved in implementation phase, post the disbursement of loans. However, it endeavors to identify projects which are planned for green building certification by the Indian Green Building Council (IGBC) and Green Rating for Integrated Habitat Assessment (GRIHA).

3 Does the company have procedures in place for sustainable sourcing (including transportation)?

The Company has taken multiple initiatives in order to reduce resource use. It has introduced e-board meetings which are conducted in a completely paperless manner thus making significant efforts to reduce the consumption of resources, specifically paper, wherever it can. Apart from this, the Company has taken note-worthy initiatives like making use of online/digital platforms for the application process, reducing the size of the diaries/calenders given to employees, thereby saving paper on a large scale.

The Company has also digitalized the operational process which enables the disbursement pay-outs without any manual intervention and helps to do bulk automated NEFT/ RTGS as disbursal mode.

4 What percentage of the inputs were sourced sustainably?

As the Company is in the business of providing financial services and is not involved in any manufacturing activities, there are no significant inputs that can be sourced sustainably.

5 Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

As the Company is in the business of providing financial services, the scope for procurement of goods from local and small producers is very limited.

6 Does the company have mechanism to recycle products and waste? If yes, what is the percentage of recycling waste and products?

Since the Company is housing finance company and is not involved in any manufacturing activity, the reporting on recycle mechanism is not applicable. The Company continuously aims to reduce the impact on the environment by optimizing the usage of various resources. The Company works at minimizing its carbon footprint and there is particular focus on reduced resource usage. However, adequate measures are always taken to ensure optimum utilization and maximum possible saving of energy. Installation of energy conservation equipment's such as replacement of CFL (Compact Fluorescent Lamp) with LED (Light- Emitting Diode) lights, energy saving Air-conditioners (VRV), replacement of normal tube lights with LED lights at the National Office of the Company and other pan India branches. These initiatives have resulted in power saving on a daily basis. Monitoring resource usage, improved process efficiency, reduced waste generation and disposal costs have also supported the cause.

Principle 3 (P3): Businesses should promote the wellbeing of all employees

We being in the services industry, employees are our key assets and are significant in driving business growth. Well-being programs lead to a significant increase in overall productivity of employees.

DHFL conducts multiple initiatives towards improving working conditions, providing a safe workplace, protecting their interests & human rights, and developing skillset both on a personal and professional level to ensure employees are motivated and high-performing thereby sustaining the business in the long run.

Workforce

1 Please indicate the Total number of employees.

As on March 31, 2019, there were 3,320 permanent employees in the Company.

2 Please indicate the Total number of employees hired on temporary/contractual/casual basis.

There are no employees hired on temporary/casual basis. However, the Company does have 5,076 number of outsourced employees, majority being employed in sales and non-sales functions of the Company

3 Please indicate the Number of permanent women employees.

There were 322 women employed in the Company as on March 31, 2019

4 Please indicate the Number of permanent employees with disabilities

There were 6 employees with disabilities as on March 31, 2019

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

No such associations exist

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

This is not applicable

Employee grievance handling mechanism

An effective grievance handling mechanism not only ensures a cordial work environment by redressing the grievance to mutual satisfaction, but also helps the management in framing policies and procedures acceptable to the employees. It offers a platform for the employees to express feelings, discontent and dissatisfaction in a formal way and guarantees a resolution or response to their concerns. As per the current grievance handling mechanism, employees can make use of the intranet to disclose their grievances. Moreover, the Company has formulated a Policy on Prevention, Prohibition & Redressal of Sexual Harassment of Women at Workplace and an Internal Complaints Committee has been constituted thereunder.

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.

| S. No. | Category | No. of Complaints filed during the financial year | No. of complaints pending as on end of this financial year |
|--------|---|---|--|
| 1 | Child labour/forced labour/involuntary labour | NIL | NIL |
| 2 | Sexual harassment | NIL | NIL |
| 3 | Discriminatory employment | NIL | NIL |

Training and Development

Training & Development is crucial for Company's sustainable growth as it supports professional development and empowers employees to deliver improved quality of service through its training intervention and motivating them to perform with renewed vigor and enthusiasm. Continuous training also helps to keep employees updated on cutting edge development in the industry. Employees who are competent and on the top of changing industry standards will also help DHFL hold its position as a leader and remain a strong competitor within the industry. The Company has nurtured in-house training expertise in the form of dedicated trainers, facilitators, content developers as well as subject matter experts from business teams. During the reporting period, training topics included a wide range of functional areas including sales skill development programs, credit analytical skills, appraisal techniques, fraud & risk management. We also organize external training programs which foster continuous and better performance through learning and job experience. The Company also provides a number of skill-based trainings along with mandatory trainings on KYC& AML and also COBE, and Anti-Fraud and Ethics, Prevention of Sexual Harassment as part of the employee induction program.

DHFL's Human Resources initiatives and L&D systems are designed to ensure an active employee engagement process, leading to better organizational capability and vitality for maintaining a competitive edge and in pursuing its ambitious growth plans.

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

| Category | Skill-upgradation Training | Safety Training |
|-------------------------------------|-----------------------------------|------------------------|
| Permanent employees | 39% | 58% |
| Permanent employees with Disability | 100% | 100% |

Principle 4 (P4): Businesses should respect the interests of, and be responsive to the needs of all stakeholders, especially those who are disadvantaged, vulnerable, and marginalized.

DHFL strongly believes that its stakeholders (both internal and external) play a pivotal role in the success and growth of the organization. DHFL identifies its stakeholders and understands the importance of engaging and communicating with them in order to recognize and cater to their needs. The investor relations department looks after institutional and retail investors and frequently connects with them through quarterly earnings calls and regular meetings as well as impromptu calls as and when needed.

The Company also engages with different banks to promote and offer affordable housing banking schemes to stakeholders coming from economically weaker sections of society. In doing so, products and the relevant processes, are specially crafted to

provide access to the Lower and Middle Income (LMI) segment who are generally not very familiar and confident in navigating the formal banking system.

1 Has the company mapped its internal and external stakeholders?

Yes, the Company has identified and mapped its internal and external stakeholders.

2 Out of the above has the company identified the disadvantaged, vulnerable, and marginalized stakeholders?

The Company has identified the people from low income sections of society as those stakeholders who are in most need of intervention and support. On these lines the Company has designed its efforts along the focus areas of

- Women empowerment and skilling
- Early childhood care & education
- Village development through awareness and resource efficient practices

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.

The Company's CSR Foundation – DHFL Changing Lives Foundation, incorporated in December 2017, has furthered the Company's CSR Vision and facilitated implementation of high impact initiatives through multi-stakeholder partnership; covering government and non-government organisations. The Foundation has taken the mantle of implementing "Project Sneh" – flagship initiative under Early Childhood Care and Education.

The Company's flagship program "Early Childhood Care and Education"(ECCE) has been implemented in partnership with the Department of Women and Child Development (WCD), District Administration in Palghar District of Maharashtra and Bokaro District of Jharkhand, Khargone and Burhanpur District of Madhya Pradesh in 2018-19. The programme covers 1895+ Anganwadis in Palghar, Vasai. Dahanu and Talasari blocks of Palghar District, 465+ Anganwadis in Jaridih, Kasmar and Petarwar blocks of Bokaro District and 1183+ Anganwadis in Bhagwanpura, Bhikangaon and Zarniya blocks of Khargone and Nepanagar, Shahpura blocks of Burhanpur District. The programme directly impacts 3543+ anganwadis, its workforce and over 1,60,000 children. The ECCE programme has the below four components.

- **Pre-School Education:** Build the capacity of Child Development Project Officers (CDPO), ICDS Supervisors, Anganwadi Workers and Helpers to deliver effective pre-school curriculum in anganwadi centres
- **Health & Nutrition:** Promote preventive and health seeking behavior among pregnant women, lactating mothers and adolescent girls and boys in the community, strengthening community monitoring systems and empowering frontline workers to deliver preventive healthcare services

- **Model Anganwadis:** Construct child centric anganwadis with locally available implements and using innovative design models under 'Snehangans'
- **Stakeholder Empowerment:** Create financial safety net for frontline workers through formation of Self Help Groups and facilitating forward and backward linkages

Principle 5 (P5): Businesses should respect and promote human rights

Respecting human rights is fundamental in DHFL's business operations and is closely linked to advancing the long-term, sustainable development of the organization. DHFL is committed to respecting and safeguarding human rights of the employees as well as business associates. This is instrumental to achieving the Company's goals of employee satisfaction, increased productivity, and economic growth. Human rights is considered to be a key aspect in all relevant business decision making process; and appropriate steps are taken to ensure no discrimination takes place either during the recruitment process or in the due course of employment at DHFL. The Company is committed to provide equal opportunities to all employees and qualified applicants without consideration to their race, caste, religion, color, ancestry, marital status, sex, age, nationality, disability and veteran status. The Company strives to create and maintain a work environment free of harassment, whether physical, verbal or psychological and its employees are treated with dignity, decency and respect.

DHFL is also committed to providing easy access to grievance reporting mechanisms for the stakeholders in the event of any adverse impacts that occur during the business operations.

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?

DHFL's human rights policy is based on the principle of protecting human rights across value chain. The Company adheres to all statutes which embodies the principles of human rights such as prevention of child labour, forced labour, woman empowerment etc.

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

The Company encourages its stakeholders to report on any concern relating to human rights and makes every effort to resolve all the complaints it receives. However, no stakeholder complaints with regard to human rights were received in the reporting year.

Principle 6 (P6): Businesses should respect, protect, and make efforts to restore the environment

As a socially responsible organization DHFL is aware of harmful effects of climate-change and environmental degradation and stakeholders are equally concerned about it. The Company is committed to conduct its business operations responsibly by identifying environmental and social risk at an early stage and mitigate the risk by employing innovative and efficient technology

solutions focusing on areas e.g renewable energy utilization and waste minimization.

The Company also encourages its employees and stakeholders to use electronic medium of communication and reduce usage of paper as far as possible.

DHFL believes that protecting the environment is crucial to ensuring that the current and future generations, can live without concern for health and wellbeing arising due to the effects of climate-change.

1 Does the policy related to Principle 6 cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

The Company's Sustainable Development policy provides guidance to safeguard the environment and support economic growth by continually improving sustainability performance across value chain. The Policy outlines expectations from employees, the external business associates and other relevant stakeholders to ensure environmental integrity of business operations.

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

Being in the financial services sector, the Company's direct impact on the environment may not be very significant, however we still have a role to play in ensuring that the indirect impact of our activities do not harm the environment. DHFL believes climate change related issues are not only of concern to the community but also to the Company's long-term growth and sustainability.

In our continuous endeavor to integrate environmental aspects into business operations, projects are appraised on environmental criteria and only those projects are considered for lending which ensure total compliance towards environmental clearances.

DHFL has undertaken multiple initiatives to combat the challenges posed by climate change. It has implemented a holistic watershed development programme across five villages in Aurangabad.

3 Does the company identify and assess potential environmental risks?

DHFL takes into consideration the environmental risks and impacts of the projects in the evaluation phase. It does not sanction loans for projects that do not have the requisite environmental clearance certificates. The Company is also cautious while providing loans for properties that pose an environmental risk or are not eco-friendly as per existing evaluation criteria.

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 environmental compliance report is filed?

The Company currently does not have any projects related to Clean Development Mechanism.

Dewan Housing Finance Corporation Limited

5 Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc.? Y/N. If yes, please give hyperlink for web page etc.

The Company has also moved to a paperless process in its daily business operations through e-meetings and engaging with the customers through app and web-based applications for loans. The Company has been able to use star rated appliances wherever possible.

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

Although the Company currently does not have a defined mechanism for measuring the waste generated, it is proactive in its efforts to minimize the amount of waste generated in the offices.

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.

The Company has not received any show cause notices from either CPCB or SPCB in the reporting year.

Principle 7 (P7): Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

One of the key responsibility of any Organization is to promote a well-informed and empowered society through actively participating in the development and implementation of public policy. Effective policy advocacy using memberships in associations and trade chambers develops the Company's capacity to achieve the greatest good for the greatest number of people and communities it serves. The Company's active participation in important national level initiatives and associations are a testimony to the commitment towards responsible development.

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:

Yes, As of now, DHFL holds memberships ASSOCHAM (Associated Chambers of Commerce of India) and actively participate in consultation and discussions for driving changes and influencing policies for development of public good.

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

The Senior Management represents DHFL in such forums and is cognizant of the responsibility they shoulder as they engage in constructive dialogues and discussions to strengthen the financial system for the country, enhance financial literacy, SME Sector Development and affordable housing for economically weaker sections of the society. In this manner, the Company is able to influence policies at a national level which is in the interest of customers and community at large.

Principle 8 (P8): Businesses should support inclusive growth and equitable development.

Unless economic growth is holistic and not spread across all strata of the society, it fails to address the societal concerns e.g poverty, unemployment and inequality. This is where, individual organizations can act responsibly and address the quality and inclusiveness of economic growth with the aim of creating shared value for organizations as well as the society.

For over three decades, DHFL has been instrumental in enabling easier access to home ownership amongst the lower and middle income (LMI) segment with a belief that one's own home, is synonymous with hope and aspiration.

DHFL has framed Corporate Social Responsibility Policy which encompasses the company's philosophy for delineating its responsibility as a corporate citizen and undertakes CSR activities strategically, systematically and more thoughtfully thereby moving from institutional building to community development through its various CSR programs and projects.

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

(i) Skills Development for sustainable livelihoods

The Company delivers skill development programmes to youth from vulnerable populations, to empower them and create an ecosystem ensuring sustainable livelihoods. The programme is delivered through three DHFL Skill Development Centres in Kolhapur, Chandrapur and Bhandup, Maharashtra.

The programme also creates linkages to Government welfare schemes like Mudra loans for self-employment. The programme is deepening its impact through collaborations with gram panchayats, industrial bodies, corporate entities and developers for placement and up-skilling.

The programme has established a hub-n-spoke model with sub-centres and satellite centres to reach out to youth in interior locations. The programme has also innovated with community-live projects to instill a feeling of giving back to the community. During the reporting period, the Company has trained 3400+ youth in the various trades including Business Correspondent, Loan Approval Officer, Microfinance Executive, Mason, Carpenter, Electrician, Plumber etc.

(ii) Economic empowerment through financial literacy & inclusive growth

The Company has conceptualized and implemented a comprehensive programme to facilitate the journey from being 'financially illiterate' to 'financially sustainable', also aiding transition of informal settlements to formal housing, promoting Pradhan Mantri Awas Yojana. This programme focuses on building community capacity through help centers & volunteers and facilitating skill development,

livelihood linkages & linkages to various GOI welfare schemes. The programme is implemented in 4 urban slum communities and reaches 40,000+ households.

To further generate awareness on basics of finance and government welfare schemes, the Company has designed a radio programme with All India Radio (AIR) for 9 stations, under 'Sharmaji ke Sawal. Vinodji ke Jawab.'

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

The Company has appointed a professional project management Unit named Samhita Social Ventures Ltd. to support programme implementation for flagship CSR programmes. However, DHFL has considerable expertise

towards implementing successful programmes within financial literacy and affordable housing for poor, urban communities and vulnerable populations and understands the need of low-income communities. Moreover, the Wholly Owned Subsidiary "DHFL Changing Lives Foundation" primarily drives Company's flagship CSR programme "Early Childhood Care and Education (ECCE)" by focusing on areas e.g Education, Health & Nutrition, Model Anganwadis and Stakeholder empowerment.

3 Have you done any impact assessment of your initiative?

Quarterly reporting for tracking the programmes' performance is being done against key indicators. Also, the Corporate Social Responsibility committee of the Board oversees the initiatives undertaken by the Company.

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

| Sr. No. | Enlist the initiatives undertaken by DHFL for supporting inclusive development | Amount contributed directly in the initiative by the Company (₹ in crore) |
|---------|--|--|
| 1 | Early Childhood Care and Education (ECCE) A system strengthening programme to build the capacity of frontline workers to deliver effective services for children, pregnant mothers, lactating mothers and adolescent girls in the community. | 16.53 |
| 2 | Financial Literacy and Inclusive Growth A comprehensive programme to facilitate the journey from being 'financially illiterate' to 'financially sustainable', also aiding transition of informal settlements to formal housing , promoting Pradhan Mantri Awas Yojana. | 2.42 |
| 3 | Skills Development The programme trains and empower youth from under resourced communities across diverse job roles in BFSI and Construction | 3.40 |
| 4 | Rural Development This programme is a holistic intervention towards alleviating poverty and implementing a comprehensive rural development program with emphasis on watershed structure, tobacco de-addiction and community development | 1.23 |
| 5 | Education Promoting education through scholarships, school infrastructure upgradation, mid day meal and scholarships | 2.84 |
| 6 | Arts and Culture Supported for promotion of traditional folk culture | 0.02 |
| 7 | Environment Supported tree plantation | 0.03 |
| 8 | Health and Medicine Support to treatment of patients from economically poor sections and support to differently abled | 0.09 |
| 9 | CSR management expenses Expenses towards Project Management Unit for Monitoring and Evaluation of projects, Auditing and Reporting | 0.63 |

Dewan Housing Finance Corporation Limited

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.

DHFL is keen on ensuring the adaptability of projects in the communities and thus it plans the exit timelines before beginning the project. In doing so, it is able to set a measurable timeline to fully execute the activities while being confident of the project being able to sustain even after it leaves the community. The Company has ensured that a group of trained, local individuals (Field Officers) from the community itself would be able to provide continued support to the program even after the end of its direct intervention.

Principle 9 (P9): Businesses should engage with and provide value to their customers and consumers in a responsible manner.

DHFL strives to foster long-term relationships with customers as it continues to provide the best of services and products to the customers coming from all sections of society. Customer satisfaction is ensured through quick turnaround, while adhering to the highest underwriting standards and an effective grievance mechanism to identify risks and concerns and improve effectively. During the reporting period, the Company has established two Central Processing Units (CPUs) at Mumbai and Hyderabad for its home loan customers which aims to deliver faster decision making and cost efficient processing.

The Company has also conceptualized the customer centric initiative i.e. 'Griha Utsav' Exhibitions- a platform to connect millions of LMI customers in the affordable housing segment in small towns and locations. During the financial year 2018-19, the Company conducted 39 such exhibitions and touched millions of lives by enabling home ownership.

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

As on end of the financial year, the Company has received 1,295 complaints from the customers (borrowers) and has

satisfactorily resolved 99% of these complaints. It aims to achieve a 100% resolution rate to show its commitment to each and every stakeholder and assure them of excellent service.

2 Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)

As DHFL is in the business of providing housing loans, it does not have any product labels as such. The advertising is made as transparent as possible and carries all relevant information and instructions for customers to make an informed decision. Moreover, the funded properties are evaluated by in-house qualified civil engineers which helps inexperienced customers especially from LMI segment to take informed decision.

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.

There are no complaints filed against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last 5 years.

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

The Company conducts various consumer survey at regular intervals. The Company's Customer Service mechanism comprises of multiple mid-level feedback and grievance redressal channels, spread over its branches, call centres, emails, letters, and social media, among others. A Board-approved management level committee further reviews the grievances periodically to address the root causes. The Company has also simplified the process of customer on-boarding.