BUSINESS RESPONSIBILITY REPORT

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number of the Company (CIN) : L07010KA1997PLC022322
2. Name of the Company : Prestige Estates Projects Limited
3. Registered office : The Falcon House, No 1, Main Guard Cross Road, Bangalore - 560001
4. Website of the Company : www.prestigeconstructions.com
5. Email id : investors@prestigeconstructions.com
6. Financial Year : 2016-17
7. Sector(s) that the Company is engaged in : The Company is engaged in the business of construction and real estate development.

8. List three key products/ services that the Company manufactures/ provides:

   The Company is engaged in the business of Real Estate Development encompassing development and construction of properties, leasing of commercial properties.

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

   i. Number of National Locations:

   The Company is maintaining a leadership position in Bengaluru and has significant presence in Hyderabad and Chennai. It has also extended operations in recent years to Kochi, Mangalore, Goa and Mysuru.

   ii. Number of International Locations:

   The Company does not have presence in International locations.

10. Markets served by the Company:

    The Company's Business development arm, Leasing activities cater to various geographic markets in India.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid-up Capital (₹ in Million) - 3750 mn (as on March 31, 2017)

2. Total Turnover (₹ in Million) - 22,819 (standalone) (as on March 31, 2017)

3. Total Profit after taxes (₹ in Million): 5,888 (Standalone) (as on March 31, 2017)

4. Total Spending on Corporate Social Responsibility (CSR) as percentage of Profit after tax (%) -

   The Company has spent ₹ 38.42 mn during the year 2016-17 being 0.76% of the average net profit of the Company for the last 3 years as mandated in the Companies Act 2013. The Company is in the process of firming up projects/ activity for spending under CSR morefully explained in the Boards Report forming part of the Annual Report.

The Company has spent ₹ 38.42 mn during the year 2016-17 being 0.76% of the average net profit of the Company for the last 3 years as mandated in the Companies Act 2013.

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

The expenditure has been incurred, in the following areas:

- Lake Development & Tree Census Programme. The Company has signed a Memorandum of Understanding with Bruhat Bengaluru Mahanagara Palike, Government of Karnataka for maintenance of park and land adjoining the Ulsoor lake in Bengaluru. Maintenance and development works are in process.
- Donations to Trusts
- Development of Literature
- Other areas permitted under Companies Act 2013 read with prescribed rules.

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/ Companies?

The Company has 22 subsidiaries and 7 Joint Ventures & Associates as on March 31, 2017

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).

Initially these initiatives have been restricted to the listed entity. It shall be the endeavour to cover some of the subsidiary companies in the coming years.

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.

SECTION D: BR INFORMATION

1. Details of Director/ Directors responsible for BR

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

- DIN : 00209022
- Name : Irfan Razack
- Designation : Chairman & Managing Director

b) Details of BR head

Sr. No.	Particulars	Details
1.	DIN	00209022
2.	Name	Irfan Razack
3.	Designation	Chairman & Managing Director
4.	Telephone Number	080-25591080
5.	e-mail id	investors@prestigeconstructions.com

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

- Principle 1 : Ethics, Transparency and Accountability [P1]
- Principle 2 : Products/Services Lifecycle Sustainability [P2]
- Principle 3 : Employees Wellbeing [P3]
- Principle 4 : Stakeholder Engagement [P4]
- Principle 5 : Human Rights [P5]
- Principle 6 : Environment [P6]
- Principle 7 : Policy Advocacy [P7]
- Principle 8 : Inclusive Growth [P8]
- Principle 9 : Customer Value [P9]

(a). Details of Compliance (Reply in Y/N)

Sr. No.	Questions	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?	The Company has formulated the policies and adopted the same in consultation with the relevant stakeholders.								
3.	Does the policy confirm to any national/ international standards? If yes, specify?	Yes. The policy/ practice confirms to the National Voluntary Guidelines (NVGs) issued by the Ministry of Corporate Affairs, Government of India, July 2011 and the policies are complaint with the applicable laws as mapped against the principles mentioned in NVGs.								
4.	Has the policy being approved by the Board? If yes, has it been signed by MD/owner/CEO/appropriate Board Director.	Yes. The Policies have been approved by the Board and signed by the Chairman and Managing Director.								
5.	Does the Company have a specified committee of the Board/Director/ Official to oversee the implementation of the policy?	Yes. The Company's officials/ respective departments are authorised to oversee the implementation of the policies.								
6.	Indicate the link for the policy to be viewed online?	www.prestigeconstructions.com								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes. Internal stakeholders are made aware of the policies. External stakeholders are communicated to the extent applicable.								
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 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?	N	N	N	N	N	N	N	N	N

(b). If answer to Sr. No. 1 against any principle is No', please explain why: (Tick up to 2 options): Not applicable

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The Company has not understood the Principles	NOT APPLICABLE								
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)									

3. Governance related to BR

- 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 Executive Directors of the Company periodically assess the BR Performance of the Company on an annual basis.

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

  Yes. The Company has published its first Business Responsibility Report for FY16-17 which forms part of the Annual Report for FY 16-17. The same can be accessed at www.prestigeconstructions.com

SECTION E: PRINCIPLE WISE PERFORMANCE

Principle 1: Ethics, Transparency and Accountability

Prestige lays a strong emphasis on ethical corporate citizenship and establishment of good work culture. Company believes in protection of interests of all stakeholders in tandem with healthy growth of the Company. The Company always discourages, abusive, corruptive or anti-competitive practices. These values and the commitment to ethical business practices are reflected in the following policies of the Company:

- Policy on Ethics, Transparency and Accountability
- Code of Conduct.

These policies help the Company to set benchmarks that go beyond applicable legislations into various areas of functioning.

The Company has a strong and effective Whistle Blower Policy which aims to deter and detect actual or suspected misconduct. The policy on Vigil Mechanism may be accessed on the Company's website at www.prestigeconstructions.com.

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. The policy is applicable to all individuals working in the Company, its subsidiaries and group companies.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?**
   The Company has a Stakeholder Grievance Committee, a committee of the Board of Directors. During the year no complaints (except one request from a Shareholder to send Annual Reports in a particular mode) were received from the shareholders. There were no complaints under the Whistle Blower Policy.

   Customer complaints are also addressed in the normal course of business by a dedicated team of Customer Services Personnel within the turnaround time decided by the company.

Principle 2: Products/Services Lifecycle Sustainability

The Company is passionate about creating best in class and affordable brands in the segment it operates. Prestige relentlessly strives to introduce next generation eco-friendly technologies and foster differentiation through the utilisation of people centric technologies that win the hearts of customers.

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**
   i) The Company is designing buildings based on IGBC-LEED and energy conservation code. Energy conservation measures include use of solar lighting for landscape, use of VFD's, Use of CFL's LED's in common areas. Cessna Business Park is the highest rated Platinum LEED ID+C project in Asia and the second highest in the world having been awarded a total of 97 points by the U.S. Green Building Council in the year 2015.

   ii) With respect to Hotel Assets, energy saving LED Lights are used and Periphery lighting is based on Solar Panels. The hotel doesn't have a Boiler instead uses Solar Panel with heat pumps for hot water for entire hotel, which directly impacts the environment by avoiding carbon emission due to burning of fossil fuel. On Solar Power, External lights as well as overhead heaters are all solar powered in the hotel and energy is optimally utilized, cost effective alternatives are in place and savings are high. Besides, Water saving Aerator Taps in Guest Rooms, Public Areas & Kitchen, Water saving Shower in guest rooms & staff facilities, STP water are used for Flushing, cooling tower Washing of basement & Horticulture purpose.

2. **For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product: (optional)**
   For both the products mentioned hereinabove, the Company has taken adequate steps and it is difficult to quantify the same. Some of the measures adopted by the Company are indicated in below points.

3. **Does the Company have procedures in place for sustainable sourcing (including transportation)?**
   Yes. The raw materials required for the construction industry like cement, sand, steel, mechanical equipment, paints, tiles, wood or aluminium products are sourced sustainably.

4. **Has the Company taken any steps to procure goods and services from local and 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?**
   Yes. Goods are procured suitably from local and small producers also and where required the same are also imported/ sourced from bigger producers. The Company maintains an equitable balance for sourcing its raw materials.

The Company and its contractors endeavour to provide hygiene and healthy working environment to workers at construction sites including training to improve the capabilities of the local work force.

5. **Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%).**
Yes. While it may not be feasible to specify a percentage, the following practises are followed in the Company:

Water Conservation:

- Water saving Aerator Taps in Guest Rooms, Public Areas & Kitchen.
- Water saving Shower heads in guest rooms & staff facilities.
- Sewage Treatment Plant water used for Flushing, cooling tower Washing of basement & Horticulture purpose.
- Rain Water used for Utility after filtration and Ground charging done through harvesting pits
- Guest Room Wash basin tap Aerator's changed to low flow water saving type

STP Water Recycling:

- All sewage water is recycled, and pumped out to serve as water for gardening, Cooling tower and Guest room toilet flushing purposes.

Organic Waste Converter:

- DE composter- the output of organic waste converter-manure is reused for gardening. This stops land filling and soil pollution.

Garbage Segregation:

- All garbage waste from all areas, Employee cafeteria, Kitchen back area, Pot wash area, Banquet clean up area as well as dry waste segregation at the lobby lounge area.
- Energy saving in unoccupied Guest rooms through the Room Thermostat Auto Relay Control installed in guest rooms through which unoccupied rooms run at a high temperature (26-27 degree) at low speed which saving energy of close to 1000 units per day.

Process improvement initiatives – To increase productivity:

- Water Flow Reducers: This equipment reduces 40% of water flow without disturbing water pressure and usage.
- Timer Control: Timer control for all air conditioning units as per peak and non-peak periods to save Energy during non peak hours

Principle 3: Employees Well-being

Prestige focuses on ensuring the well-being of all its employees. The safety and health of employees is extremely important to the Company. Prestige believes in giving its employees ample opportunities to perform as employee well-being is imperative to achieve a profitable growth.

Prestige provides equal employment opportunities to all, irrespective of caste, creed, gender, race, religion, disability or sexual orientation. The Company has established a policy against sexual harassment for its employees. The policy allows any employee freedom to report any such act and prompt action will be taken thereon. The Policy lays down several punishments for any such act. Prestige has also engaged a reputed consultant to enhance employee engagement, enriching the HR system.

1. Please indicate the Total number of employees: In Prestige Group: 998 Nos
2. Please indicate the Total number of employees hired on temporary/ contractual/ casual basis:

   - Apprentice Trainees / Interns / Contractual employees - 31 Nos.

3. Please indicate the number of permanent women employees: 164
4. Please indicate the number of permanent employees with disabilities: NIL
5. Do you have an employee association that is recognized by management: NA
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.

Sr. No.	Category	No of Complaints filed during the financial year	No of Complaints pending as on the end of the financial year
1.	Child labour/ forced labour/ involuntary labour	NIL	
2.	Sexual Harassment		
3.	Discriminatory employment		

8. What percentage of your under mentioned employees were given safety and skill upgradation training in the last year?

a) Permanent Employees – Around 8% male employees were imparted general and safety trainings.

b) Permanent Women Employees – No employee was imparted general and safety trainings.

c) Casual/Temporary/Contractual Employees – None.

d) Employees with Disabilities – None.

Principle 4: Stakeholder Engagement

Prestige recognises employees, business associates, customers, shareholders/investors as key stakeholders. The company continues its engagement with them through various mechanisms such as consultations with the local communities, suppliers/vendor meets etc.

The Company website www.prestigeconstructions.com contains comprehensive information for the stakeholders about the Company. The Company also has a designated exclusive email id for investor services namely investors@prestigeconstructions.com. The Company also promptly intimates the Stock Exchanges about all price sensitive information or such other matters which needs opinion or material and of relevance to the stakeholders of the Company.

1. **Has the company mapped its internal and external stakeholders? Yes/ No**
   Yes. The key stakeholders of the Company are employees, customers, government authorities, suppliers and shareholders.

2. **Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?**
   For the Company, all stakeholders are equally significant and no one is considered as disadvantaged, vulnerable and marginalized.

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.**
   Not applicable.

Principle 5: Human Rights

Prestige respects and promotes human rights for all individuals. The Company's commitment to human rights and fair treatment is set in the policy on human rights. The policy provides to conduct the operations with honesty, integrity and openness with respect for human rights and interest of the employees.

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**
   It is the policy of the company and practise as well to ensure protection of human rights viz., non engagement of child labour, assuring safety measures etc . The same principle is applied not only to the Company but also to the subsidiaries and external stakeholders like contractors. There is no differentiation amongst male and female employees in the Company and neither is any preferential treatment given to any employee.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**
   The Company has not received any complaints from any stakeholders pertaining to human rights.

Principle 6: Environment Rights

The Company places highest corporate policy in ensuring and adhering to best procedures relating to environment protection. Prestige sets high standards in the area of

environmental responsibility – striving for performance that does not merely comply with regulations but reduces environmental impacts. Prestige believes it has a responsibility to take care of the planet and preserve its beauty, resources and strength for future generations.

1. **Does the policy related to Principle 6 cover only the company or extends to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ others.**
   The Policy and practices relating to Principle 6 primarily cover only the Company and its Group. Such policy and practises cannot be extended to others since the Company does not have direct control over such entities. However there is an endeavour to do business with such entities which have adopted this principle.

2. **Does the Company have strategies/ initiatives to address global environment issues such as climate change, global warming etc? Y/N**
   Yes. The Company has taken steps to increase green cover in the area where its projects have come up.

3. **Does the company identify and asses potential environmental risks? Y/N**
   Yes.

4. **Does the Company have any project related to Clean Development Mechanism? –**
   No

5. **Has the company undertaken any other initiatives on – Clean technology, energy efficiency, renewable energy etc . Y/N**
   Yes. As mentioned in Principle 2 of this Report.

6. **Are the Emissions/ Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?**
   The emissions/waste generated by the Company is within the required permissible limits and are being reported adequately to the concerned authorities.

7. **Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e not resolved to satisfaction) as on the end of Financial Year.**
   Not applicable. There are no show cause notices received by the Company.

Principle 7: Policy Advocacy

Prestige believes that a lot can be achieved if the Company works together with the Government, Legislators, Trade Bodies and Regulators to create positive social and environmental outcomes. Prestige has always strived to create a positive impact in the business eco system and communities by practising productive advocacy not for securing certain benefits for industry but for advocating certain best practices for the benefit of society at large.

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. Among others, the Company is a member of the following:

   a) Confederation of Indian Industry

   b) The Confederation of Real Estate Developers Associations of India (CREDAI)

   c) Federation of Indian Export Organisation

2. **Have you advocated/ lobbied through above associations for the advancement or improvement of public good? Yes/No**
   Yes. The Company does work for advancement of public good along with the industry partners. Work mainly pertains to creating framework of policies for development and inclusive development of the industry overall.

Principle 8: Inclusive Growth and Equitable Development

Prestige has always believed to ensure protection of interests of all stakeholders of the Company in tandem with healthy growth of the Company.

1. **Does the Company have specified programmes/initiatives/ projects in pursuit of the policy related to Principle 8.?. If yes, details thereof.**
   Yes. Such details are forming part of CSR Report, marked as Annexure III to the Boards' Report.

2. **Are the programmes/ projects undertaken through in-house team/ own foundation/ external NGO/ government structures/ any other organization?**
   Depending on the various factors, events / programmes are undertaken either in-house or through Prestige

Foundation and also in collaboration with other external agencies/ Trusts/ NGO's.

3. **Have you done any impact assessment of your initiative?**
Company conducts internal assessments and results arising thereof from the CSR events/ programmes on a regular basis.

4. **What is your company's direct contribution to community development projects – Amount in INR and the details of the projects undertaken**
Details of the contribution towards CSR initiatives are provided in Annexure III to the Boards' Report.

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.**
Community participation is an integral part of all our social projects. We approach our projects with a mission to empower communities. Therefore we work in making self-reliance communities with huge inputs on awareness building and ensuring access to rights and entitlements.

Principle 9: Customer Value

Prestige is dedicated to delivering products that satisfy the needs of the customers. Prestige's products are the result of understanding consumer's needs through thorough research.

1. **What percentage of customer complaints/ consumer cases are pending as on the end of financial year.**
The Company has adopted internal procedures and set a standard turnaround time of 15 working days to attend to complaints or any requests or any grievances. Regarding percentage of pending complaints, the company is in the process of establishing a more elaborate internal control system. With respect to consumer cases, the time taken to resolve depends on the legal system prevailing.

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).**
Considering the nature of business, the Company could identify four 'products' as below:

   - Residential units developed by the Company for sale
   - Commercial office spaces developed by the Company for lease
   - Retail malls developed by the Company for lease
   - Hotel Assets developed by the Company.

   Accordingly, information on the 'product' is displayed on the advertisement, application form, agreement and other relevant documents as per the requirement of local laws.

3. **Is there any case filed by any stakeholder against the company regarding unfair trade practises, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so Did your company carry out any consumer survey/ consumer satisfaction trends?**
Yes. There are complaints filed before District Consumer Forums and State Consumer Forums in the various projects of the Company alleging among other things abuse of dominant position, imposition of arbitrary, unfair and unreasonable conditions in the Buyer's agreements entered into with the allottees. The Company has refuted the allegations and presently the proceedings are pending before District Consumer Forums and State Consumer Forums.

4. **Did your company carry out any consumer survey/ consumer satisfaction trends?**
No.