

BUSINESS RESPONSIBILITY REPORT (BRR)

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company: **L99999MH1949PLC007039**
2. Name of the Company: **Patel Engineering Limited**
3. Registered address: **Patel Estate Road, Jogeshwari (W), Mumbai- 400102**
4. Website: **www.pateleng.com**
5. Email id: **headoffice@pateleng.com**
6. Financial Year reported: **1st April 2019 – 31st March 2020**
7. Sector(s) that the Company is engaged in (industrial activity code-wise): The Company is engaged in business of Engineering, Procurement and Construction EPC segment

| Description | Industrial Group |
|--|---------------------|
| Engineering and Construction Activities | 42101, 42201, 42204 |
| Real Estate activities with owned or leased property | 68100 |

8. List three key products/services that the Company manufactures/provides (as in balance sheet)
Engineering and Construction Activities, Real Estate.
9. Total number of locations where business activity is undertaken by the Company
 - (i) Number of International Locations (provide details of major 5) – Company’s Projects at Nepal are at various stages of operations (excluding international subsidiaries in various countries – US, Singapore, Indonesia, Mauritius and Mozambique which are presently not operational)
 - (ii) Number of National Locations – Presently the Company executes various projects across 16 States in India.
10. Markets served by Company - Local / State / National / International: The Company executes across various States in India and in Nepal (outside India).

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up Capital (INR): 408.2 million
2. Total Turnover (INR): 23330.6 million
3. Total Profit after taxes (INR): 371.6 million
4. Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax(%): As stipulated under Section 135 of the Companies Act, 2013, 2% of the average net profit of the last three years are provided for CSR activities.
5. List of activities in which expenditure in 4 above has been incurred: Please refer to Annexure III of Board’s Report.



SECTION C: OTHER DETAILS

1. Does Company have Subsidiary Company/Companies? Yes
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): No
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%]: Not Applicable.

SECTION D: BR INFORMATION

1. Details of Director / Director responsible for BR

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

- DIN Number: 05356483
- Name: Mr. Sunil Sapre
- Designation: Whole Time Director

b) Details of the BR head

| No. | Particulars | Details |
|-----|----------------------------|-------------------------------|
| 1 | DIN Number (if applicable) | NA |
| 2 | Name | Mr. Rajendra Chopde |
| 3 | Designation | Sr. Vice President (Projects) |
| 4 | Telephone number | +91 22 26767500 |
| 5 | e-mail id | headoffice@pateleng.com |

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

Name of the principles:

- P1 – Businesses should conduct and govern themselves with Ethics, Transparency and accountability
- P2 – Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
- P3 – Businesses should promote the well-being of all employees
- P4 – Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized
- P5 – Businesses should respect and promote human rights
- P6 – Businesses should respect, protect, and make efforts to restore the environment
- P7 – Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
- P8 – Businesses should support inclusive growth and equitable development
- P9 – Businesses should engage with and provide value to their customers and consumers in a responsible manner

(a) Details of the compliance (Reply in Y/ N)

| No. | Questions | P | P | P | P | P | P | P | P | P |
|-----|--|--|---|---|---|---|---|---|---|---|
| | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| 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? (50words) | Yes. The Policies are in confirmation with the international standards of ISO 9001, ISO 14001, OHSAS 18001 and ILO Principles. | | | | | | | | |
| 4. | Has the policy being approved by the Board? Yes, signed by Managing 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? | https://tinyurl.com/y2e7pkwc | | | | | | | | |
| 7. | Has the policy been formally communicated to all relevant internal and external stakeholders? | Yes | | | | | | | | |
| 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? | Yes, Internal Audits and IMS Audit | | | | | | | | |

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options): Not Applicable

3. Governance related BR

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| 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 | Annually |
| b | Does the Company publish a BR or a Sustainability Report | No |
| c | What is the hyperlink for viewing this report? | https://tinyurl.com/y2e7pkwc |
| d | How frequently it is published? | Annually |



SECTION E: PRINCIPLE- WISE PERFORMANCE

Principle 1

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|----|---|--|
| 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 covers the group companies, including the company, subsidiaries and JVs controlled by us. |
| 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. | NIL |

Principle 2

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|----|---|--|
| 1. | List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities. | <ul style="list-style-type: none"> 1) Construction 2)Engineering Designs 3)Infrastructure Development Activities |
| 2. | <p>For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):</p> <p>(a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?</p> <p>(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?</p> | <p>Steps taken during Engineering Design:</p> <p>Raw Material Optimum use:</p> <ul style="list-style-type: none"> a) Tailor made Plates of required size are procured in order to reduce the wastage b) Coupler use for saving in Reinforcement Bar to avoid over lapping c) Cut and Bend Rebar use to avoid materials Wastage d) Use of Silo for storage of cement instead of bags to zero wastage and pollution free <p>Energy Conservation:</p> <ul style="list-style-type: none"> a) Usage of Load sharing System in DG Sets b) Usage of APFC – Automatic Power Factor System in Grid Power and DG Sets c) Usage of Variable Frequency Drive (VFD) starting systems for Ventilation Fans & EOT/ Gantry Crane d) Use of Efficient Motors in Gantry Cranes e) Usage of Suitable size of Pipelines and long Radius Bend in Pumps f) Usage of Common Substation g) Maintain healthy Voltage level <p>Water Conservation: - At Project site, IMS procedure for 4R (Reduce, Reuse, Recycle & Recharge) is followed. Sedimentation tanks are provided at batching plant .Sewerage treatment plant and waste water treatment plants also provided.</p> <p>PEL is not into business manufacturing goods or consumable products.</p> |

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| 3. | Does the company have procedures in place for sustainable sourcing (including transportation)? | Yes |
| (a) | If yes, what percentage of your inputs was sourced sustainably? | 75% |
| 4. | Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? | Yes, Apart from 75% of major raw materials, remaining items like Aggregates, Sand etc. are procured locally which impacts the local market in positive way. |
| (a) | If yes, what steps have been taken to improve their capacity and capability of local and small vendors? | Entire groceries & foods articles are procure locally for staff & worker colony. At Project sites, steps are undertaken to award small/ petty Contracts to locals pertaining to Job Work, Equipment (including vehicle) supply, Supplies of man powers etc. thereby building the Capacity at the Local Level |
| 5. | Does the company have a mechanism to recycle products and waste? | Yes, Recycling the product is not applicable as consumable goods and the associated packaging materials is not manufacture by us. Hazardous waste is recycled disposed as per statutory provisions. Used Oil being disposed through authorised recycler and Batteries are being sent back to suppliers under buy back option only. Scrap and general recyclable materials are disposed through authorised vendors for recycling. Re-treaded Tyres has been used. |
| | If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). | 5-10%. |

Principle 3

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| 1. | Please indicate the Total number of employees | 1,743 heads |
| 2. | Please indicate the Total number of employees hired on temporary/contractual/casual basis. | 1,217 heads |
| 3. | Please indicate the Number of permanent women employees. | 43 heads |
| 4. | Please indicate the Number of permanent employees with disabilities | 4 heads |
| 5. | Do you have an employee association that is recognized by management | No |
| 6. | What percentage of your permanent employees is members of this recognized employee association? | NA |
| 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. | Nil |
| 8. | What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year? | 20% |
| (a) | Permanent Employees | 25% |
| (b) | Permanent Women Employees | Nil |
| (c) | Casual/Temporary/Contractual Employees | 10% |
| (d) | Employees with Disabilities | Nil |
| | | Steps are being taken to impart Safety Awareness Training Programme periodically to all our employees of the Company |



Principle 4

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| 1. | Has the company mapped its internal and external stakeholders? Yes/No | Yes |
| 2. | Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stake holders? | Yes |
| 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. | We consider our responsibility towards all stakeholders. We strive and value to all stakeholders. We map both internal & external stakeholders along with vulnerable, marginalized and disadvantaged stakeholders. This large and mixed community has varied expectations, as we engage with all such stakeholders (shareholders, employees, clients, lenders, vendors, subcontractors, government, communities, society at large) at multiple points as and when required through meetings, reports, interactions, feedbacks, regulatory filings etc. |

Principle 5

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| 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 covers the entire group under our control. |
| 2. | How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management? | NIL |

Principle 6

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|----|--|---|
| 1. | Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others. | It covers the entire group under our control. |
| 2. | Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc. | No |
| 3. | Does the company identify and assess potential environmental risks? Y/N | Yes |
| 4. | Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed? | We have Environment Risk Assessment procedure to analyse all the risks relevant to the activities carried to construct a project. |
| 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. | No |
| 6. | Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported? | Yes, as per stipulated norms |
| 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. | Nil |

Principle 7

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| 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: | a) Central Board of Irrigation and Power b) EEPC India c) Federation of India Export Organisation d) FICCI Ladies Organisation e) Construction Federation of India f) International Market Assessment India Pvt Ltd |
| 2. | Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/ No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others) | Yes. Energy & Water |

Principle 8

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| 1. | Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof. | Yes, the Company has adopted CSR Policy pursuant to Section 135 / Schedule VII of the Companies Act, 2013. The details of the CSR project undertaken by the Company is provided in the Annexure III of the Boards' report. |
| 2. | Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization? | Through external NGOs/any other organisation. |
| 3. | Have you done any impact assessment of your initiative? | No |
| 4. | What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken | ₹ 32.7 million Refer to Annexure III of Board's Report |
| 5. | Have you taken steps to ensure that this community development initiative is successfully adopted by the community? | Yes |

Principle 9

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| 1. | What percentage of customer complaints/consumer cases are pending as on the end of financial year. | Not applicable in E&C business. |
| 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) | Not applicable |
| 3. | Is there any case filed by any stakeholder against the company regarding unfair trade practices, 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. | No |
| 4. | Did your company carry out any consumer survey/ consumer satisfaction trends? | Not applicable |