

# SHREE RENUKA SUGARS LIMITED

## Business Responsibility Report for the Financial Year 2016-17

[Pursuant to Regulation 34 (2) (f) of the SEBI Listing Regulations]

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### SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company: L01542KA1995PLC019046
2. Name of the Company: Shree Renuka Sugars Limited (SRSL)
3. Registered address: BC 105, Havelock Road, Camp, Belagavi – 590001, Karnataka, India
4. Website: [www.renukasugars.com](http://www.renukasugars.com)
5. E-mail id: [investor.relations@renukasugars.com](mailto:investor.relations@renukasugars.com)
6. Financial Year reported: 2016-17

7. Sector(s) that the Company is engaged in (industrial activity code-wise):

Shree Renuka Sugars Limited is engaged in manufacture of Sugar, Power and Ethanol.

*Industrial Group	Description
10721	Sugar
35106	Power
11019	Ethanol

\*As per National Industrial Classification

8. List three key products/services that the Company manufactures/provides (as in Balance Sheet)

Sr. No.	Name and Description of main products/services
1.	Sugar
2.	Power
3.	Ethanol

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

(a) Number of International Locations (Provide details of major 5):

1. Brazil
2. Dubai

(b) Number of National Locations:

The Company has its Corporate Office in Mumbai and Registered Office in Belagavi. The Company has its plants located at Belagavi and Gulbarga in Karnataka; Sangli, Parbhani, Satara, Kolhapur and Khalapur in Maharashtra; Kolkata, West Bengal; Kandla, Gujarat. Further, the Company has offices in New Delhi and Bengaluru.

10. Markets served by the Company – Local/State/National/International:

In addition to the Indian markets, the Company also exports to Sudan, Kenya, Djibouti, Ethiopia, Uganda, Somalia, South Africa, Mauritius, Madagascar, Qatar, Bahrain, Kuwait, China, Afghanistan, Mongolia, UAE, Saudi Arabia, Nepal, Myanmar, Sri Lanka.

## SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. **Paid up Capital:** Rs. 945.25 Million  
2. **Total Turnover:** Rs. 78,921 Million  
3. **Total Profit/(Loss) after Taxes:** Rs. (1,239) Million

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

The Company is not mandatorily required to spend on CSR activities as per the provisions of Section 135 of the Companies Act, 2013.

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

The Company has voluntarily carried out CSR activities in the following area:

- Healthcare
- Education
- Community Development
- Training for generating employment

## SECTION C: OTHER DETAILS

1. **Subsidiary Company / Companies**

Yes, the Company has 23 (Twenty Three) direct and indirect subsidiary companies as on March 31, 2017.

2. **Participation of Subsidiary Company / Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary company(s).**

Given the current size and scale of operations, subsidiary companies, as of now, are not engaged in BR initiatives process of the Company.

3. **Participation of 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 with whom the Company does business with viz. suppliers, distributors etc. do not participate in the BR initiatives of the Company. Further, few of the suppliers/customers are big Corporates/MNCs, who have their own BR initiatives.

## 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**

1. **DIN Number:** 00009164  
2. **Name:** Mr. Narendra Murkumbi  
3. **Designation:** Vice Chairman & Managing Director

(b) **Details of the BR head**

Sr. No.	Particulars	Details
1	DIN Number	00009164
2	Name	Mr. Narendra Murkumbi
3	Designation	Vice Chairman & Managing Director
4	Telephone Number	022-40011400
5	E-mail Id	nm@renukasugars.com

## 2. Principle-wise (as per NVGs) BR Policy/policies?

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

Sr. No.	Questions	Business Ethics	Product Responsibility	Wellbeing of Employees	Stakeholder Engagement & CSR	Human Rights	Environment	Public Policy	CSR	Customer Relations
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/policies for	Y	Y	Y	Y	Y	Y	N	Y	N
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	The policy is embedded in the Company's quality and environment policies which inter alia, relate to safe and sustainable products	Y	Y	The policy is embedded in the Company's Code of Business Conduct, HR policies and various other HR practices	-	-	Y	-
3.	Does the policy conform to any national / international standards? If yes, specify?	Policies are prepared ensuring adherence to all applicable laws and in line with national & international standards, wherever applicable.								
4.	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	All mandatory Policies under the Indian laws and regulations have been adopted by the Board and signed by Managing Director. Other operational internal policies are approved by management and signed by the Managing Director.								
5.	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	The Company has a well-established internal governance structure to oversee the implementation of various policies.								
6.	Indicate the link for the policy to be viewed online?	Mandatory Policies viz. CSR Policy, Insider Trading Policy, Code of Business Conduct and Ethics are available at <a href="http://www.renukasugars.com">www.renukasugars.com</a> . All other policies viz. employee related policies are available on Company's internal network.								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes. Policies are communicated to internal stakeholders and the same available on the Company's intranet. Wherever required, the Policies are also communicated to our external stakeholders and made available on Company's website.								
8.	Does the company have in-house structure to implement the policy/policies?	Yes, the Company has an in-house structure with clearly defined roles and responsibilities which periodically reviews implementation of various policies.								

9.	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Yes, each of the Policies formulated by the Company have an in-built grievance and redressal mechanism.
10.	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	The Quality, Safety & Health and Environmental Policies are subject to internal and external audits as part of certification process and ongoing periodic assessments. Other policies are periodically evaluated for their efficacy through internal audit mechanism.

### 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.

This is first time the Company is required to publish the Business Responsibility Report. In future, the Company will assess the BR performance annually.

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

The requirements of Business Responsibility reporting have become applicable to the Company from April 1, 2016. Accordingly, the first Business Responsibility Report will be for the FY 2016-17 and the same shall be published on a yearly basis from FY 2017-18 onwards. The Business Responsibility Report is available on Company's website [www.renukasugars.com](http://www.renukasugars.com).

### **SECTION E: PRINCIPLE-WISE PERFORMANCE**

#### **Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability:**

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?

The Policy relating to Ethics, Transparency and Accountability at present covers the Company only. The policy includes a Code of Business Conduct and Ethics prescribed by the Company for all its employees including the Directors. The policy does not extend to the Group/ Joint Venture/ Suppliers, etc. However, the Company encourages parties associated with its value chain like vendors, suppliers, contractors, etc. to follow the principles envisaged in the policy.

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 financial year 2016-17, no stakeholder complaints were received.

#### **Principle 2 - Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle:**

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

SRSL manufactures Sugar from sugarcane, Ethanol from molasses & Power from bagasse as per specifications of its customers and strives to ensure that products supplied are in conformity with customer's specifications, from safe and legally permissible raw materials and strict quality standards and controls are followed.

Ethanol is clean, renewable fuel which reduces pollution from vehicles and power from bagasse (sugarcane fibre) is also renewable source of energy.

SRSL is environmentally conscious and is committed to creating, maintaining and ensuring a safe & clean environment.

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

- (a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

The Company has undertaken various initiatives for efficient and optimal use of resources. The Consumption per unit varies as per the product mix and hence it is not possible to ascertain reduction achieved at each level.

- (a) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

The Company through continuous improvement and innovation in product formulations tries to ensure lesser consumption of water and energy resources by using and continuous upgrading efficient equipments.

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

- (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

The Company has manufacturing locations across India and majority of its lower level manpower requirement locally & strives to source majority of its requirements from local suppliers and transporters, in order to develop and sustain local communities/partner in the Supply chain. Its major raw material, Sugarcane, is sourced from local farmers who are engaged through workshops on yield improvement measures & uses of organic fertilizers.

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

- (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

SRSL always strives to procure materials & avail services from local vendors/suppliers, without compromising on quality & products. Company's Supplier selection, assessment and evaluation process includes elements of sustainability. This includes initial supplier survey, continuous risk assessments and audits.

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%). Also, provide details thereof, in about 50 words or so.

Due to the nature of our business, we utilize resources like energy, water and other secondary resources and have robust processes and systems in place to identify, quantify and reduce such impact on the environment.

### **Principle 3 - Businesses should promote the well-being of all employees**

1. Total number of employees : 1966 (Including Seasonal) as on 31<sup>st</sup> March, 2017
2. Total number of employees hired on temporary/contractual/casual basis: 726 (Excluding leased employees) as on 31<sup>st</sup> March 2017.

3. Number of permanent women employees: 25 as on 31<sup>st</sup> March 2017.
4. Number of permanent employees with disabilities: 1 as on 31<sup>st</sup> March 2017.
5. An employee association that is recognized by management : NA
6. Percentage of permanent employees who are members of the recognized employee association : Nil
7. 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 end of the financial year
1.	Child labour/forced labour/involuntary labour	Nil	Nil
2.	Sexual Harassment	Nil	Nil
3.	Discriminatory employment	Nil	Nil

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?
  - a. Permanent Employees - 96%
  - b. Permanent Women Employees - 20%
  - c. Casual/Temporary/Contractual Employees - 68%
  - d. Employees with Disabilities - Nil

**Principle 4 - Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.**

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

Yes, the Company has mapped its internal and external stakeholders in a structured way and carries out engagements with investors, employees, customers, suppliers, business partners, government/regulatory authorities, etc.

The Company also engages with its identified stakeholders on an on-going basis through a constructive process. The Company follows a system of timely feedback and response through formal and informal channels of communication to ensure that the stakeholder information remains current and updated.

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

Yes, Company has identified marginalized and disadvantaged groups through need assessment and engagement with local communities. The marginalized and disadvantaged communities we work with include economically backward sections of the society, who are in great need of care and protection.

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 goes beyond its business activities to create social impact through its diverse initiatives, and is working towards improving lives of marginalised and vulnerable communities. We have taken initiatives in specific areas of social development that would include providing infrastructure facilities for primary & secondary education/schools, skills development, vocational training, health & hygiene, etc. which are mainly focused around communities, around our manufacturing locations spread across the country. For specific details, please refer to our Annual Report on the same.

### **Principle 5 - Businesses should respect and promote human rights**

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

The Company values and respects the human rights and shall always remain committed for its protection. The Company's Code of Business Conduct and Ethics, Sexual Harassment Policy and the human resource policies/practices cover most of these aspects.

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

No stakeholder complaint pertaining to human rights was received in FY 2016-17.

### **Principle 6 - Businesses should respect, protect and make efforts to restore the environment**

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

The Company follows the broad Environment Protection guidelines laid down by the SRS Group and adheres to all Environment laws, as applicable for all its locations. However, the same is not applicable to suppliers/contractors, since many of them have their own internal guidelines/policies.

2. Does the company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc? Yes/ No If yes, please give hyperlink for webpage etc.

Environmental conservation is high on the Company's agenda. The Company is conscious of its responsibility towards creating, maintaining and ensuring a safe and clean environment for sustainable development and taking initiatives like installation, re-cycling & conservation of water, reduction of wastages, innovations packaging solutions, etc., to reduce the adverse effects on the environment.

3. Does the company identify and assess potential environmental risks? Y/N

Yes, identification and assessment of potential environmental risks are covered under "Code of Conduct" and "Code of Ethics and Behavior" of the Company. Once risks are identified, steps are taken to measure & mitigate the same.

Employees are expected to actively contribute to Company's commitment to providing a healthy and safe workplace and to respect the environment and sustainability while carrying out all business operations. The company strives to provide a healthy and safe Workplace for its employees, in accordance with applicable laws and regulations. The aim is to prevent accidents and mitigate health and safety risks with action programs. These action programmes are publicly communicated and continuous training is undertaken as per programs. Employees are required to comply with all workplace safety and environment related guidelines.

The Company aims to be an environmentally friendly company. The company aims at improving its performance through action programmes focusing on minimizing natural resource utilisation, optimizing process efficiency, applying the best available techniques and practices, and reducing solid waste generation, effluent discharges and emissions into the air. Above all the company actively supports, through appropriate communication and training, each individual's responsibility in environmental performance. The Company will always comply with all government and statutory requirements on environmental protection.

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?

No

Currently, the Company is not undertaking any project related to Clean Development Mechanism

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.

All our mills run on bagasse based power which is renewable energy. We also export renewable energy to state power distribution companies & help them in compliance pertaining to RPO.

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

Yes, emission & waste generated by company are within the permissible limit as given by Pollution control Boards of respective states where the company operates.

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

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with :

- a) Indian Sugar Mills Association (ISMA)
- b) All India Sugar Trade Association (AISTA)
- c) London Sugar Market Association (LSMA)

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)

SRSL works very closely with Industry Associations to advocate and pursue various causes that are in larger interests of industry, economy, society and the public.

**Principle 8 - Businesses should support inclusive growth and equitable development**

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

At SRSL, we believe in giving back to the society in some measure what we have gained from it. Through our various initiatives, we are committed to address issues relating to basic education, child welfare, community welfare, health and skill education on sustainable basis for the society, as a whole.

The Company focusses on a holistic development model where business and community grow in tandem. We believe we are in a business where business prosperity can be made scaleable and sustainable for the communities around us and our employees and their families. Our CSR (corporate social responsibilities) activities involve providing healthcare facilities, education and training for generating employment opportunities.

These activities are undertaken through the Shree Renuka Sugars Development Foundation (SRSDF) and Shree Renuka Institute for Rural Development and Research (SRIRDR) that are dedicated towards achieving the Company's social objectives and missions.

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

At SRSL, CSR programmes are undertaken through the Shree Renuka Sugars Development Foundation (SRSDF) and Shree Renuka Institute for Rural Development and Research (SRIRDR) that are dedicated towards achieving the Company's social objectives and missions.

The SRSDF trust focussed on providing education and other related activities to children. It also aims to nurture personal skills for all-round development.

SRIRDR is an NGO that undertakes activities in the areas of education, healthcare and socio-economic development for bringing transformation to underprivileged and poor sections of the communities in the rural areas.

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

Yes, various projects undertaken under the Corporate Social Responsibility initiatives are subject to the impact assessment to ensure that expected results of projects/ initiatives are achieved.

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

During the financial year 2016-17, the Company was not required to mandatorily spend on CSR activities under Section 135 of the Companies Act, 2013. However, the Company has undertaken a few CSR projects voluntarily.

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.

We have been actively taking initiatives for Community Development. Women, children and backward section of the society are our target groups and we target to ensure their well being and development through education, income generation and health programmes.

**Principle 9 - Businesses should engage with and provide value to their customers and consumers in a responsible manner:**

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

No customer/consumer complaints are pending as on the end of the financial year. At SRSL integrity is a given and not negotiable. It is essential to be honest with customers, treat them with respect and dignity and promise only what can be delivered. Satisfied customers are the key to SRSL's success. SRSL aims to earn customers' continued loyalty every day by treating them fairly, delivering the products they want and exceeding their expectations.

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

The Company displays all the information on the product label as mandated by the regulations to ensure full compliance with relevant laws and other additional information as well, if available on case to case basis.

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.

No, there are no cases filed by any stakeholder during last five years regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior.

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

The Company values its customer's voice, and has actively engaged external independent agencies who carry out Customer Satisfaction Survey for and on behalf of the Company to assess the consumer satisfaction levels for its products and consumer trends.