

## **SHANKARA BUILDING PRODUCTS LIMITED**

### **BUSINESS RESPONSIBILITY REPORT**

*(For the financial year ended 31<sup>st</sup> March, 2020)*

#### **SECTION A: GENERAL INFORMATION ABOUT THE COMPANY**

1. Corporate Identity Number (CIN) of the Company:- L26922KA1995PLC018990
2. Name of the Company:- Shankara Building Products Limited
3. Registered address:- G2, Farah Winsford, 133 Infantry Road, Bangalore-560001
4. Website:- www.shankarabuildpro.com
5. E-mail id:- cs@shankarabuildpro.com
6. Financial Year reported:- 2019-2020
7. Sector(s) that the company is engaged in (**industrial activity code-wise**):- 477(Retail),466 (Enterprise),466 (Channel)
8. List the products/services that the company manufactures/provides:- Building Materials
9. Total number of locations where business activity is undertaken by the Company
  - a. Number of International Locations:- 1 (Singapore)
  - b. Number of National Locations:- 120 (retail outlets), 29 (warehouse), 13 (manufacturing) & 7 (offices) as on 31<sup>st</sup> March, 2020
10. Markets served by the Company- Local/State/National/International:- National

#### **SECTION B FINANCIAL DETAILS OF THE COMPANY**

1. Paid up Capital (INR):- Rs. 22.84 Crores
2. Total Turnover (INR):- Consolidated : 2,63,972.79 lakhs  
Standalone : 2,49,384.49 lakhs
3. Total profit after taxes (INR):- Consolidated: 3,987.76 lakhs  
Standalone: 2,727.99 lakhs  
(Net of discontinued operation)
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%): 1.45%
5. List of activities in which expenditure in 4 above has been incurred: - Please refer report on Corporate Social Responsibility, Page no. 44

#### **SECTION C: OTHER DETAILS**

1. Does the company have any Subsidiary Company/Companies:-

Yes, the Company has four wholly owned subsidiaries namely:

- i. Taurus Value Steel & Pipes Pvt. Ltd. - Having tube & strip processing facility at Hyderabad.
- ii. Vishal Precision Steel Tubes & Strips Pvt. Ltd. - Having tube & cold rolled strip processing facility at Bangalore.



iii. Centurywells Roofing India Pvt. Ltd –Wholly owned subsidiary primarily engaged in providing colour coated roofing products. It has processing facilities in Chennai, Bangalore, Secunderabad, Coimbatore, Pune, Vijayawada and Hubli.

iv. Steel Network (Holdings) Pte Ltd. – Wholly owned subsidiary, registered at Singapore engaged in the business of manufacture, distribution of roofing sheets, steel pipes and general hardware and general wholesale trade (including general importers & exporters)

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

Yes, Shankara undertakes various Business Responsibility (BR) initiatives throughout the year and encourages its subsidiary companies to participate in BR initiatives on several themes. All subsidiaries are aligned with the CSR agenda.

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the company does business with, participate in the BR initiative of the Company? If yes, then indicate the percentage of such entity/entities? (Less than 30%, 30-60%, More than 60%):-

No other entity that the Company does business with, participates in the BR initiatives of the Company.

#### **SECTION D: BR INFORMATION**

1. Details of Director/Directors responsible for BR

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

No.	Particulars	Details
1.	DIN Number (if applicable)	01668064
2.	Name	Mr. Sukumar Srinivas
3.	Designation	Managing Director

(b)Details of BR head

No.	Particulars	Details
1.	DIN Number (if applicable)	N/A
2.	Name	Mr. Siddhartha Mundra
3.	Designation	Chief Executive Officer
4.	Telephone number	080-40117777
5.	E-mail Id	siddhartha@shankarabuildpro.com

2. Principle-wise (as per NVGs) BR Policy/Policies

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. Briefly these are as follows:



- P1** Business should conduct and govern themselves with Ethics, Transparency and Accountability
- P2** Business should provide goods and services that are safe and contribute to sustainability throughout their life cycles
- P3** Business should promote the wellbeing of all employees
- P4** Business should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized
- P5** Business should respect and promote human rights
- P6** Business 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 reasonable manner

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

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	N	Y	Y
2.	Has the policy been formulated in consultation with the relevant stake holders?	Y	Y	Y	Y	Y	Y	N	Y	Y
3.	Does the policy confirm to any national/international standards? If yes, specify?	Yes, the policy is based on "National Voluntary Guidelines on Social, Environmental & Economic Responsibilities of Business" released by the Ministry of Corporate Affairs, Government of India.								
4.	Has the policy been approved by the board? If yes, has it been signed by MD/Owner/CEO/appropriate Board Director?	Y*	Y***	Y**	Y**	Y*	Y**	N	Y***	Y****
5.	Does the company have a specified committee of the Board/Director/Officials to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	N	Y	Y
6.	Indicate the link for the policy to be viewed online?	<a href="https://www.shankarabuildpro.com/financials.html#">https://www.shankarabuildpro.com/financials.html#</a>								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	The policy has been posted on the Company's website for information of all stakeholders. For internal stakeholders, appropriate communication means are used.								
8.	Does the company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	N	Y	Y
9.	Does the company have a grievance redressal mechanism related to the	Y	Y	Y	Y	Y	Y	N	Y	Y



	policy/policies to address stakeholders grievances related to the policy/policies?									
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

\* Shankara Code of Conduct

\*\* Corporate Social Responsibility Policy

\*\*\*Shankara Vision & Mission

\*\*\*\*Shankara Quality Policy

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

No	Questions	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							The company believes that it does not need to engage in public policy and did not influence statutory and regulatory framework. In case the need arises the company is a member of numerous trade & industry organization where it can raise such issues.		
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

(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 BR performance is assessed periodically by the Management.

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink? :-

The Business Responsibility Report of the Company will be published on the Company website. The hyperlink is <https://www.shankarabuildpro.com/financials.html#>

## SECTION E: PRINCIPLE-WISE PERFORMANCE

### **Principle 1: Business 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 covers only the Company. The Company's policies on Company's Code of Conduct are applicable to all directors and employees of the Company. The directors and employees of the Company are expected to read and understand the Code, uphold the standards mentioned thereunder in their day-to-day activities and comply with all applicable laws & rules.

Further, the Company has adopted a Whistle Blower Policy to keep a check on malpractices and unethical behavior by all such persons related with the management, administration and operations of the Company.

The Company endeavors to preserve the confidentiality and prevent the misuse of un-published price sensitive information. Towards this objective the Company has adopted the Code for Prohibition of Insider Trading.

Shankara has well defined policies and codes. These policies ensure adherence to ethical, professional, transparency and accountability mechanisms within Shankara. Some of the policies in this regard are:-

i. Code of Conduct: The Company policy on Code of Conduct includes all the directors and employees at all levels and grades. It does not extend to the suppliers/contractors/NGOs etc. It is a must for every employee and director to follow the values enshrined in the Code of Conduct in their day to day activities.

ii. Whistle Blower Policy: The efficacy and performance of the Company's Whistle-blower Policy is reviewed by the Audit & Risk Management Committee of the Board. This Policy provides a platform to the stakeholders for making any communication made in good faith that discloses or demonstrates evidence of any fraud or unethical activity within the company and has provisions to ensure protection



of the whistle-blower against victimization for the disclosures made by him/her. All employees have to read and understand this Code and abide by it.

iii. Policy for Determining Materiality of Events and Information: This policy determines whether an event or information is material or not as per the provisions of SEBI Regulations, 2015, while ensuring timely, accurate, uniform and transparent disclosure.

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.

Stakeholder	Complaints Received during FY 2019-20	Complaints Resolved during FY 2019-20	Complaints Resolved (%)
Investor Complaints	21	21	100

During the reporting period, no complaint was received under the provisions of Whistle-blower Policy.

**Principle 2: Business 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:-

The Company trades a large variety of products with a focus on sustainability and environment. Some of the products are detailed below:

- (a) The Company has invested in optimization of power consumption and promotes renewable energy products such as solar pumps and solar water heaters.
- (b) The Company has encouraged its customers to use steel tubes and steel roofing sheets rather than wooden roofing which is a great opportunity to safeguard the environment. This also replaces the use of clay tiles which helps to save and conserve the upper layer of soil.
- (c) The Company sells products such as drip irrigation and greenhouse structures which help conserve water usage and improve farm productivity.
- (d) The Company promotes reasonable living through focus on products like rain water harvesting. This helps to refresh/restore the ground water availability.

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?



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

Considering the nature of business of the Company, the above details are not applicable to the Company.

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.

Yes, the Company strives to reduce environmental impact by employing sustainable practices wherever possible. We operate a fleet of vehicles through a “Hub and Spoke” mechanism. To minimise fuel consumption, we have created a synchronized pickup and delivery routing pattern structured like a “milk run system”. This helps in increasing our supply chain efficiencies and reduces the number of vehicles on road. In addition to our own vehicles, we also have a number of third party vehicles servicing us. We are working to ensure sustainable sourcing procedures for our ecosystem.

In the area of ethical sourcing, we discourage the use of forced labour and child labour at our business associates’ premises.

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?

We procure a wide range of goods and services from small scale enterprises and industries. We conduct ongoing training programmes in our retail stores to educate them about latest practices and products. We also refer fabricators, contractors, plumbers etc. to our customers for any of their requirements.

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 10%):-

N/A

**Principle 3: Business should promote the well-being of all employees**

1. Please indicate the total number of employees: - 1,637

2. Please indicate the total number of employees hired on temporary/contractual/casual basis:-

Contractual: - 400

3. Please indicate the number of permanent women employees: - 118

4. Please indicate the number of permanent employees with disabilities: - 2



5. Do you have an employee association that is recognized by management: - Nil

6. What percentage of your permanent employees is members of this recognized employee association: - N/A

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: -

No	Category	No. of complaints filed during the financial year	No of complaints pending as on end of the financial year
N/A			

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

(a) Permanent Employees: 1,237

(b) Permanent Women Employees: - 118

(c) Casual/Temporary/Contractual Employees: - 400

(d) Employees with Disabilities: - 2

**Principle 4: Business should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized**

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

Yes

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

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.

Shankara firmly believes in its contribution to society. The Company has a clear commitment to promote women's welfare and help destitute children and the elderly. Shankara has adopted a school in Bangalore as a part of its continued philosophy of giving back to society. It undertakes several programmes to implement CSR activities. Further details are available in CSR section of Annual Report.





**Principle 5: Business 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's policy covers the Company and its Subsidiaries.

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

There have been no complaints received on account of human rights issue.

**Principle 6: Business 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's policy covers the Company and its Subsidiaries.

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.

Given the nature of the Company's business, our carbon footprint is restricted. However, we continue to endeavor to control fuel consumption and encourage usage of renewable energy wherever feasible. We also undertake tree plantation and water recycling in our premises.

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

The Company has always been sensitive to the environmental impact of its operations and has proactively adopted environmental sustainable practices. This has led to certain green initiatives such as planting trees and using rain water harvesting activities in its premises.

We believe in adopting sustainable strategies. The nature of our business being largely a marketing and trading organization limits our direct contribution to these global environmental issues.

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, the Company does not have any project related to Clean Development Mechanism.

5. Has the company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc.:-

Yes, the Company is conscious of its environmental footprint and is taking proactive steps to mitigate impact of its operations. In this regard, Company is undertaking measures for protecting natural resources.



The Company under its commitment has undertaken various initiatives for utilization of clean energy in operations. The Company proactively promotes renewable energy products such as solar pumps and solar water heaters.

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

Yes

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 legal/show cause notice from CPCB/SPCB in the current reporting year.

**Principle 7: Business, 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:

The Company is a member of various trades and chambers or associations. Some of these includes:

- Karnataka Pipes Dealer Association
- Bangalore Iron & Steel Merchant Association
- Bangalore Builders Association
- Telangana State Tube Manufacturers Association
- Salem Pipe Dealers Association

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)

No. The Company's Senior Management represents the Company in various industry forums. Shankara uses the Shankara Code of Conduct as a guide for its actions in influencing public and regulatory policy.

**Principle 8: Business 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.

The Company has a CSR policy approved by the Board of Directors and in line with the requirements of Companies Act, 2013. An amount of ₹ 55.66 Lakhs was spent towards various CSR projects in Financial Year 2019-20. The details of the CSR initiatives undertaken by your Company are set out in Corporate Social Responsibility section of this Annual Report.

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



The Company undertakes programmes/projects through External Agencies.

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

Shankara has taken up water conservation as a theme and started an integrated watershed project- Jala Nela. The project aims at achieving sustainable agriculture patterns through the integrated watershed development and improving the livelihood of small and marginal farmers.

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

An amount of ₹ 55.86 Lakhs was spent during the year. Details of project undertaken are available in the Corporate Social Responsibility section of this Annual Report.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community?

Yes, the initiatives conducted under CSR are tracked to determine the outcomes achieved and the benefits to the community. The Company also interacts with stakeholders to ensure that its projects are being implemented effectively.

**Principle 9: Business should engage with and provide value to their customers and consumers in a reasonable manner**

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

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):- Yes

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? Yes

