



## BUSINESS RESPONSIBILITY REPORT

### 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](http://www.shankarabuildpro.com)
5. Email id:- [cs@shankarabuildpro.com](mailto:cs@shankarabuildpro.com)
6. Financial Year reported:- 2017-2018
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:- 129 (retail outlets), 34 (warehouse), 12 (manufacturing) & 4 (offices) as on 31st March, 2018
10. Markets served by the Company- Local/ State/ National/ International:- National

### SECTION B : FINANCIAL DETAILS OF THE COMPANY

1. Paid up Capital (INR):- ₹22.84 Crores
2. Total Turnover (INR):- ₹2,548.67 Crores
3. Total profit after taxes (INR):- ₹73.90 Crores
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax %:- 0.71 %
5. List of activities in which expenditure in 4 above has been incurred: - **Refer Annexure-III of the Directors' Report**

### SECTION C : OTHER DETAILS

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

Yes, the Company has four wholly owned subsidiaries namely:

a. Taurus Value Steel & Pipes Pvt. Ltd. - Having a tube & galvanized strip processing facility at Hyderabad.

b. Vishal Precision Steel Tubes & Strips Pvt. Ltd. – Having a tube & cold rolled strip processing facility at Bangalore.

c. Steel Network Holdings Pte Ltd. – Wholly owned subsidiary, registered at Singapore, having an Indian colour coated roofing profiling subsidiary Centurywells Roofing India Pvt. Ltd.

d. Centurywells Roofing India Pvt. Ltd – Step-down, wholly owned subsidiary held through Steel Network Holdings Pte Limited primarily engaged in providing colour coated roofing products. It has processing facilities in Chennai, Bangalore, Secunderabad, Coimbatore, Pune, Vijayawada and Hubli.

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):-

The three subsidiary companies Taurus Value Steel & Pipes Pvt. Ltd, Vishal Precision Steel Tubes & Strips Pvt. Ltd and Centurywells Roofing India Pvt. Ltd are working towards establishing a BR Policy and should be in place in the coming year.

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

## 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)	1668064
2.	Name	Mr. Sukumar Srinivas
3.	Designation	Managing Director

#### (b) Details of BR head

No.	Particulars	Details
1.	Name	Mr. Siddhartha Mundra
2.	Designation	Chief Executive Officer
3.	Telephone number	080-4011 7777
4.	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 marginalised

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



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 on line?	<a href="http://www.shankarabuildpro.com">www.shankarabuildpro.com</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 policy/policies to address stakeholders grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	N	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

\* Shankara Code of Conduct

\*\* CSR Policy

\*\*\* Shankara Vision & Mission

\*\*\*\*Shankara Quality Policy

## DIRECTORS' REPORT

(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:-

As the company has been included in the top 500 hundred listed companies of BSE/Nifty index by way of market capitalization in March, 2018, a formal review of BRR by the Board was not required till now. However, the Board was assessing business responsibility of the company in an informal manner over the last few years. Henceforth, the BR performance will be assessed every quarter by the Board of Directors.

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

As the need for a formal Business Responsibility Report has arisen only in the FY 19, the same is being prepared by the Company. The BR will be displayed shortly on the website of the Company at [www.shankarabuildpro.com](http://www.shankarabuildpro.com)

(c) 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

## 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 also adopted a Whistle Blower Policy to keep a check on malpractices and unethical behaviour 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.

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 2017-18	Complaints Resolved during FY 2017-18	Complaints Resolved (%)
Investor Complaints	207	207	100%



**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 manufactures and sells a vast variety of products with a focus on sustainability and environment. Some of the products are detailed below:

(a) 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.

(b) The Company has also invested in optimization of power consumption and promotes renewable energy products such as solar pumps and solar water heaters.

(c) The Company sells products such as drip irrigation and greenhouse structures which help conserve water usage and improve farm productivity.

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 operates a fleet of vehicles and to minimize diesel 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.

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?

The Company sources fabrications from small scale vendors. In order to achieve this, the Company shares knowledge and expertise in sustainable practices with the small vendors. The Company is creating opportunities for vendors who are registered in our data base by providing their details to customers.

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:- 1,571

2. Please indicate the total number of employees hired on temporary/contractual/casual basis:-  
Contractual:- 776

3. Please indicate the number of permanent women employees:- 115

4. Please indicate the number of permanent employees with disabilities:- 6

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
		NIL	

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

- (a) Permanent Employees:- 519
- (b) Permanent Women Employees- 8
- (c) Casual/Temporary/Contractual Employees - 776
- (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.

As a part of Company's CSR initiative, the Company is providing funds for education and healthcare of marginalized communities. 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 is working towards covering 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.

The company is studying the issue to see the relevance of its business activities towards this issue. And if found relevant will come out with suitable policy.

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

Yes, the Company has always been sensitive to the environmental impact of its operations and has proactively adopted environmental sustainable practices. The very endeavor led to the Green initiatives such as planting trees and using high energy efficient machines among others.

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?

None

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

Yes, 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.

NIL

### 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.

Yes. The Company has a well drafted CSR Policy in line with Section 135 of the Companies Act, 2013. On the basis of needs and requests the initiatives for the benefit of society are chosen and implemented.

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? :-

Yes, in one of our earlier projects which dealt with self empowerment of women in a village in Haveri district, Karnataka, The project was funded for four years and subsequently no further fund was required as the group had achieved self sustainability.

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

₹52.93 Lakh was spent during the previous year. Details of project undertaken are available in Annexure-III of Directors' Report.

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

Yes. 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