

Business Responsibility Report

Business Responsibility Report

for the Financial Year ended March 31, 2017

[Pursuant to Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

Section A: General Information about the Company

1	Corporate Identity Number (CIN) of the Company	L17299WB1985PLC038517
2	Name of the Company	Rupa & Company Limited
3	Registered address	Metro Tower, 8 th Floor, 1, Ho Chi Minh Sarani, Kolkata - 700 071
4	Website	www.rupa.co.in
5	E-mail ID	cs@rupa.co.in
6	Financial Year reported	2016-17
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	Manufacture of knitted apparel including hosiery 14309
8	Key products/ services that the Company manufactures/ provides	Manufacturing and sale of Hosiery Goods
9	Total number of locations where business activity is undertaken by the Company a) Number of International Locations b) Number of National Locations	Nil 4 (manufacturing activity). The details are given in the Corporate Governance Report forming part of this Annual Report.
10	Markets served by the Company	The Company's products have national presence and some of the products are exported as well.

Section B: Financial Details of the Company

1	Paid-up Capital (INR)	₹ 7,95,24,560/-
2	Total Turnover (INR)	₹ 10,84,21,76,483/-
3	Total Profit after Taxes (INR)	₹ 77,10,77,959/-
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after taxes	₹ 2,10,13,258/-, i.e., 2.73%
5	List of activities in which expenditure in 4 above has been incurred	The same has been detailed out in the Annual Report on CSR Activities, annexed to the Board's Report, marked as Annexure-V thereto, forming part of this Annual Report

Section C: Other Details

1	Does the Company have any Subsidiary Company/ Companies?	Yes, the Company has 3 (three) Wholly-owned Subsidiaries.
2	Do the Subsidiary Company/ Companies participate in the BR Initiatives of the parent Company?	No, the Subsidiary Companies do not participate in the BR initiatives of the Company. However, the Company encourages its subsidiary companies to participate in the BR initiatives of the Company.
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?	Other entity/ entities (e.g., suppliers, distributors, etc.) that the Company does business with, do not participate in the BR initiatives of the Company.

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Section D: BR (Business Responsibility) Information

The Board of Directors of the Company has entrusted the Corporate Social Responsibility (CSR) Committee of the Board, with the responsibility of BR implementation, reporting and other related matters. The terms of reference of the CSR Committee has been modified to include the activities relating to BR implementation and other related matters and the same is available on the website of the Company at the link, <http://rupa.co.in/site/wp-content/uploads/2015/10/Corporate-Social-Responsibility-Committee.pdf>

1. Details of Director/ Directors responsible for BR

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

1	DIN	00224857
2	Name	Mr. Kunj Bihari Agarwal
3	Designation	Managing Director

b) Details of the BR head

No.	Particulars	Details
1	DIN (if applicable)	NA
2	Name	Mr. L.S.S. Lal
3	Designation	Vice President (Corporate Planning and Strategic Management)
4	Telephone Number	+91-33-30573100
5	E-mail ID	lsslal@rupa.co.in

2. **Principle-wise (as per NVGs) BR Policy/policies:** Rupa operates with a strong belief that giving back to the society and contributing towards its sustainable development is every organizations responsibility. The Company practices highest standards of corporate and individual behaviour in the conduct of business and the discharge of their duties. The Company always focuses on the areas of ethical risk, integrity and honesty, provides guidance to help individuals to recognize and deal with ethical issues and help foster a culture of honesty, integrity and accountability.

The BR Policy of the Company is based on the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) issued by the Ministry of Corporate Affairs, Government of India.

This Policy is supported by the Code of Conduct and Business Ethics of the Company which describes the standards that everyone, at Rupa & Company Limited, follows.

The National Voluntary Guidelines provide the following nine principles.

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

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

Sl. 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?	Y	Y	Y	Y	Y	Y	Y	Y	Y

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Sl. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
3	Does the policy conform to any national/international standards? If yes, specify?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The Company strives to promote human rights as mentioned in the Constitution of India in the provisions of Fundamental Rights and Directive Principles of State Policy and also the guidelines of the International Bill of Human Rights.								
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The BR Policy has been signed by the Chairman of the Company.								
5	Does the Company have a specified Committee of the Board/ Director/ Official to oversee the implementation of the policy?	The Corporate Social Responsibility (CSR) Committee of the Board of Directors of the Company is authorised to oversee the implementation of the Business Responsibility Policy, reporting and other related matters.								
6.	Indicate the link for the policy to be viewed online?	The BR Policy can be viewed at: http://rupa.co.in/site/wp-content/uploads/2015/10/Business_Responsibility_Policy1.pdf For further reference on various policies, the same can be viewed in link, as mentioned in the following notes:								
		6a		6b	6c	6d			6e	
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
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?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		Audit/ evaluation has been carried out with the internal resources.								

Notes to the Clause 2(a)(6):

6(a) - Code of Conduct and Business Ethics: <http://rupa.co.in/investors/corporate-governance/code-of-conduct/>

Whistle Blower Policy: <http://rupa.co.in/site/wp-content/uploads/2015/10/WhistleBlowerPolicy1.pdf>

6(b) - Whistle Blower Policy: <http://rupa.co.in/site/wp-content/uploads/2015/10/WhistleBlowerPolicy1.pdf>

6(c) - CSR Policy: <http://rupa.co.in/site/wp-content/uploads/2015/10/corporate-social-responsibility-policy.pdf>

Whistle Blower Policy: <http://rupa.co.in/site/wp-content/uploads/2015/10/WhistleBlowerPolicy1.pdf>

Dividend Distribution Policy: <http://rupa.co.in/site/wp-content/uploads/2015/10/Dividend-Distribution-Policy.pdf>

6(d) - Whistle Blower Policy: <http://rupa.co.in/site/wp-content/uploads/2015/10/WhistleBlowerPolicy1.pdf>

6(e) - CSR Policy: <http://rupa.co.in/site/wp-content/uploads/2015/10/corporate-social-responsibility-policy.pdf>

- b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: Not applicable.

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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 CSR Committee of Board of Directors assesses the BR Performance of the Company annually.
- b) **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?** – The Company has published its first Business Responsibility Report which forms part of this Annual Report for the Financial Year 2016-17. It is also available on the Company's website, www.rupa.co.in.

Section E: Principle-wise Performance

Principle 1

- 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, bribery and corruption covers only the Company and its employees. The Company strives to maintain the highest standards of ethics in all spheres of its business activities. The Board of Directors and Senior Management of the Company aim at inculcating ethical behavior at all levels across the Company making it an essential part of the work culture so that every employee of the Company conducts oneself and lead on behalf of the Company with professionalism, honesty and integrity, and confirm to high moral and ethical ground. Apart from BR Policy, the Company has following policies dealing with ethics, transparency and accountability:

Code of Conduct and Business Ethics: This Code is applicable for Company's directors, senior management and employees. All those concerned are required to strictly adhere to this Code of Conduct and Business Ethics. Any violation of any Code of Conduct is/ shall be viewed strictly and shall lead to disciplinary action, up to and including discharge. The Company ensures maximum appropriate disclosure to its various stakeholders without impacting its strategic intent.

Whistle Blower Policy: Company's Whistle Blower mechanism provides an avenue to address concerns, in line with the Company's policy of highest possible standards of ethical, moral and legal business conduct and its commitment to open communication, as well as timely redressal of concerns and disclosures to build and strengthen a culture of transparency and trust in the Company.

The Policy does not extended to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others. However, the Company encourages them to participate in the BR initiatives of the Company.

- 2) **How many stakeholder complaints have been received in the Financial Year under review and what percentage was satisfactorily resolved by the management?** – During the Financial Year, 4 (four) Shareholders' complaints were received and resolved by the Company. No complaints were pending as on March 31, 2017. All complaints received, were solved by the Company to the satisfaction of the Shareholders. Customers' complaints and other correspondence are attended promptly by the Company.

Principle 2

- 1) **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/ or opportunities** – The Company is engaged in manufacturing and sale of the Hosiery and related products and services. The Company ensures that the goods it produces are safe and sustainable. All the manufacturing units of the Company meets appropriate environmental norms. The Company ensures that its business goals are pursued without compromising on social or environmental concerns.
- 2) **For each such product, provide the following details in respect of resource use (energy, water, raw material, etc.)** – The Company ensures that it keeps balance of the social, environmental and economical impact of the business it conducts. The Company also ensures that its business goals are pursued without compromising any of the three elements, throughout the life cycle of the goods, from design to disposal/ delivery, i.e., from acquisition of raw materials through manufacturing and processing, smart packaging, distribution and transportation, use and reuse,

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recycling and disposal. The details of steps taken by the Company for conservation of energy has been detailed out in Annexure – II to the Board's Report, forming part of this Annual Report.

- 3) **Does the Company have procedures in place for sustainable sourcing (including transportation)?** – The Company strives to use all the resources viz. raw materials, natural resources and other resources, like, electricity, air, power, etc., sustainably, with maximum optimisation at all stages, including recycling the same to the extent possible. The Company also regularly advises its employees, workers, engineers, value chain members including suppliers and distributors, customers and recyclers, on optimum utilisation of resources.
- 4) **Has the Company taken any steps to procure goods and services from local & 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?** – The Company strives to procure goods from local & small producers. The Company also outsources its jobs to local contractors and job-workers.
- 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%).** – The Company ensures that the waste products generated during the process of manufacturing are re-cycled or the by-products generated, if any, are put to best possible use to safeguard the environment from over utilization of resources and minimize the hazards. The Company strives to reduce its own environmental footprints, influence the stakeholders in order to encourage them to reduce their footprints and engage with the employees to help reduce their personal footprints.

The waste cutting fabrics are being sold to third party for recycling thereof to make it reusable in some manner. About 5-10% of the wastes have been recycled.

Principle 3

- 1) **Total number of permanent employees** – 598, as on March 31, 2017
- 2) **Total number of employees hired on temporary/ contractual/ casual basis** – 1318, as on March 31, 2017
- 3) **Number of permanent women employees** – 48, as on March 31, 2017
- 4) **Number of permanent employees with disabilities** – The Company does not follow differential recruitment policy based on employees' demographic details and physical abilities. Hence, this number is not tracked.
- 5) **Do you have an employee association that is recognized by management** – No, there is no trade union in the factories of the Company. Employees have formed Works Committee in manufacturing units to address the grievances.
- 6) **Percentage of permanent employees who are members of this recognized employee association** – Not applicable.
- 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.**

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?** – Human Resources function is instrumental in creating and developing human capital in alignment with the Company's requirement. One of the key focus areas in the Company's objective is to groom and to train employees. It imparts specialized and technical training to its employees at regular intervals, which enrich their knowledge, skill and competency to perform their job effectively and efficiently. Workplace safety training is also being provided to the workmen to enhance their knowledge and skills, they need to protect equipment, facilities and unintentional physical injuries. Training has been provided to more than 40% of the workforce during the year.

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Principle 4

- 1) **Has the Company mapped its internal and external stakeholders? Yes/No** – Yes, the Company has mapped its internal and external stakeholders. We recognise employees, business associates (network of suppliers, stockists and dealers), customers, shareholders/ investors, communities surrounding our operations and regulatory authorities as our key stakeholders.
- 2) **Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders?** – The Company believes that all its stakeholders are not equally influential and therefore it encourages to proactively engage with and responds to safeguard the interest of those that are disadvantaged, vulnerable and marginalized and who are at an underdeveloped area. The Corporate Social Responsibility (CSR) initiatives undertaken by the Company has been driven towards the benefit of the disadvantaged, vulnerable and marginalized stakeholders.
- 3) **Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders?** – The initiatives taken by the Company have been detailed out in the Annual Report on CSR activities, which has been annexed to the Board's Report, marked as Annexure – V, forming part of this Annual Report.

Principle 5

- 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?** – In Rupa, the issues related to human rights are covered under the Code of Conduct and Business ethics and Whistle blower Policy, apart from the BR Policy, which covers only the Company and its employees. The Company understands and continuously strives to promote human rights as mentioned in the Constitution of India in the provisions of Fundamental Rights and Directive Principles of State Policy and also the guidelines of the International Bill of Human Rights.
- 2) **How many stakeholder complaints have been received in the past Financial Year and what percent was satisfactorily resolved by the management?** – No complaint was received pertaining to human rights violation during the past Financial Year. Details of complaints received from shareholders have been dealt in clause 2 of Principle 1.

Principle 6

- 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 related to Principle 6 cover only the Company. However, the Company encourages that the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ others should follow the underlying standard stated under this principle.
- 2) **Does the Company has 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 ensures undertaking of pollution control measures not only at all stages of production but also within the workplace, i.e., within the administrative offices, units, depots and such other places where the Company operates.
- 3) **Does the Company identify and assess potential environmental risks? Y/N** – The Company assesses the potential environmental risks periodically by gauging the environmental impacts of the existing practices and procedures adopted by the Company and the extent to which practices can be modified so as to mitigate the environmental damage and to reduce adverse impact on environment by adopting cleaner production methods, promoting use of energy efficient and environment friendly technologies and use of renewable energy.
- 4) **Does the Company has any project related to Clean Development Mechanism?** – 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.?** – The Company continuously endeavour to use the latest energy efficient technologies to ensure optimal utilisation of the resources without having to compromise with the quality of its products. The Company has in place an Environment Management Systems (EMS) which deals with preventing, mitigating and controlling environmental damages and disasters and also devises plans to deal with contingencies.

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- 6) **Are the emissions/ waste generated by the Company within the permissible limits given by CPCB/SPCB for the Financial Year being reported?** – During the Financial Year, the emissions, solid waste and effluent generated were within the limits as prescribed by CPCB or SPCB.
- 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** – No show cause/ legal notices have been received from CPCB/SPCB during the Financial Year.

Principle 7

- 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 strives to engage with the Government and be a part of various chambers and associations to make recommendations/ representations before regulators and associations for advancement and improvement of the industry to which it pertains. The executives of the Company participate and play an active role in committees, associations etc constituted for industry reforms and advancement. The Company or its executive(s) is the member of, or associated with the (a) Bharat Chamber of Commerce; (b) Merchant Chamber of Commerce; (c) Federation of Hosiery and Manufacturers Association; (d) West Bengal Hosiery Association; and (e) South India Hosiery Association.
- 2) **Have you advocated/ lobbied through above associations for the advancement or improvement of public good? Yes/No;** – The Company performs the function of policy advocacy in a transparent and responsible manner while engaging with all the authorities and takes into account the Company's interest as well as the larger national interest.

The Company believes that policy advocacy must preserve and expand public good and thus, it does not advocates any policy change to benefit itself alone or a select few.

Principle 8

- 1) **Does the Company has specified programmes/initiatives/projects in pursuit of the policy related to Principle 8?** – Yes, the Company supports the principles of inclusive growth and equitable development through not just its Corporate Social Responsibility initiatives but through its core business as well.
- 2) **Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?** – The Company undertakes programmes/ projects directly through in-house team as well as through other trusts, NGOs, etc.
- 3) **Have you done any impact assessment of your initiative?** – Yes, the Company internally performs an impact assessment of its initiatives at the end of each year to understand the efficacy of the program in terms of delivery of desired benefits to the community and to gain insights for improving the design and delivery of future initiatives.
- 4) **Company's direct/ indirect contribution to community development projects and the details of the projects undertaken** – The Company's contribution to the community development projects undertaken during the year through its CSR activities is ₹ 2,10,13,258/-. The details are given in Annexure – V to the Board's Report, forming part of this Annual Report. Apart from this, the Company also contributes, directly or indirectly, towards development projects for the community benefit.
- 5) **Have you taken steps to ensure that this community development initiative is successfully adopted by the community?** – The Company continuously engages with communities surrounding their operations through focused approach. This is done to gauge the needs, priorities and expectations of the local community. Initiatives are, thus, designed and delivered in a transparent manner in line with inputs from the community itself. We also try to create sustainable infrastructure/ programmes so that it should be continued on sustainable basis. The Company also takes reports from the implementing agencies to ensure the utilisation of the fund.

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Principle 9

- 1) **What percentage of customer complaints/consumer cases are pending as on the end of financial year?** – The Company addresses the customer/ consumer complaints, if any, promptly on priority basis. There was no customer/ consumer complaint pending as at the end of the Financial Year.
- 2) **Does the Company display product information on the product label, over and above what is mandated as per local laws?** – The Company understands the importance of fair disclosure of the description of its products and thereby, ensures to disclose, truthfully and factually, such relevant information including risks about the product, as may be required statutorily, through labelling so that the consumers can exercise their freedom to consume in a responsible manner.
- 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** – No case has been 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 the end of Financial Year.
- 4) **Did your Company carry out any consumer survey/ consumer satisfaction trends?** – The Company engages with its consumers on an ongoing basis and conducts methodical research on their satisfaction with respect to its products and advertisements. These surveys are conducted through third party market research firms. We undertake regular brand tracking exercises to assess brand preference scores and impact of our advertisements.