



# BUSINESS RESPONSIBILITY REPORT

for the financial year ended 31st March 2017

The Company is conscious of its responsibilities towards various stakeholders such as customers, vendors, employees, shareholders, financiers and to the society at large. Our Business Responsibility Report includes the responses of the Company to the questions on its practices and performance on key principles defined by Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 covering topics across environment, governance and stakeholder relationships. We provide hereunder the Business Responsibility Report in the format provided under Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

## SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company: L51109WB1998PLC087076
2. Name of the Company : McLeod Russel India Limited
3. Registered address: Four Mangoe Lane, Surendra Mohan Ghosh Sarani, Kolkata – 700 001
4. Website : [www.mcleodrussel.com](http://www.mcleodrussel.com)
5. E-mail id : [administrator@mcleodrussel.com](mailto:administrator@mcleodrussel.com)
6. Financial Year reported : 31st March 2017
7. Sector(s) that the Company is engaged in (industrial activity code-wise) :
  - 1) 01271 - Growing of tea
  - 2) 10791 - Processing and blending of tea
  - 3) 46306 - Wholesale of tea
8. List three key products/services that the Company manufactures/provides (as in balance sheet)  
Tea (Cultivation of Tea, Manufacture of Tea and Sale of Tea)
9. Total number of locations where business activity is undertaken by the Company
  - (a) Number of International Locations (Provide details of major 5): One Liaison office in United Kingdom

(b) Number of National Locations : 55

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

## SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up Capital (INR in Lakhs) : 5472.79
2. Total Turnover (INR in lakhs) : 139297
3. Total profit after taxes (INR in lakhs) : 3053
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%): 2%
5. List of activities in which expenditure in 4 above has been incurred:-
  - a) Construction of Infrastructural facilities for the students at Assam Valley School at Assam
  - b) Vermicompost Production by Villagers
  - c) Supporting elderly ladies at Old Age Home and villagers with distribution of food, clothes and blankets etc. and educational support to slum children.

## SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/Companies? - Yes
2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s) - Yes; One
3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%] - No



No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
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

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

### 3. Governance related 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 - 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?

Yes. Being Published once a year with the Annual Report of the Company since the financial year ended 31st March, 2017. The report can be accessed at [www.mcleodrussel.com/investors/policies.aspx](http://www.mcleodrussel.com/investors/policies.aspx)

No. of customer complaints received during the year	7
No. of complaints resolved during the year	6
No. of complaints pending at the end of the year	1
% of complaints resolved successfully during the year	86%

#### Principle 2

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

(a) Tea – During the production of tea various environmental concerns have been addressed. The Company uses environment friendly pesticides, etc.

The Company has also under taken afforestation and development of water bodies.

Tea as a product has been developed in an environment friendly manner and the production of tea generates employment while addressing other social concerns.

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?

Since the previous year there had been no significant reduction of sourcing/production/distribution throughout the value chain. During the production of 1kg tea, 1kg of Coal and 0.50 kg sum of natural gas is required.

## 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?

Yes. It extends only to the Company.

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.

The details of the investors complaints for the financial year 2016-17 are mentioned under 6(c), (d) & (e) of the Corporate Governance Report. During the past financial year the following are the details of the customer complaints received by the Company along with the details of complaints resolved satisfactorily:-

(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?  
- No.

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

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

Around 80%

There is a laid down procedure on the basis of which the suppliers / service providers of the Company are assessed for sustainability compliance as per food safety requirements and International Sustainability Standards.

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

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

The Company procures tea leaf from the small tea growers locally and encourages them to increase their/quality and productivity.

The Company also provides training and conducts workshops for the small tea growers and local communities so as to educate them about cultivation of tea leaf. The Company also provides financial assistance to the local and small vendors growing tea leaf.

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.

No, the Company does not have a mechanism to recycle products and waste.

### Principle 3

1. Please indicate the Total number of employees. - 74,515

2. Please indicate the Total number of employees hired on temporary/contractual/casual basis. - 79,034

3. Please indicate the Number of permanent women employees. - 36,450

4. Please indicate the Number of permanent employees with disabilities. - Nil

5. Do you have an employee association that is recognised by management. - Yes

6. What percentage of your permanent employees is members of this recognised employee association?

Except Management Employees in the tea estates of the Company and employees at the Head office, every employee is part of the union.

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year - Nil

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year? (Only employees of the tea estates are covered)

(a) Permanent Employees - 100%

(b) Permanent Women Employees - 100%

(c) Casual/Temporary/Contractual Employees - 100%

(d) Employees with Disabilities - N.A.

### PRINCIPLE 4

1. Has the Company mapped its internal and external stakeholders? - No

2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalised stakeholders. - No

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders. If so, provide details thereof, in about 50 words or so. - No

#### **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?

Yes. The policy covers the employees of the Company, service providers at the tea estates of the Company and the Contractors at the Head Office of the Company.

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

#### **Principle 6**

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

It covers only the Company.

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 has Rainforest Alliance Certification and has taken several initiatives to address environmental issues. The major efforts include Tea Plantation and Afforestation, Water Management and renewable energy. The details regarding the initiatives can be found at the following weblink.

<http://www.mcleodrussel.com/csr/environment.aspx>

3. Does the Company identify and assess potential environmental risks? Y/N - Yes.
4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed? - No

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.

Yes. The Company has taken initiative on generation of renewable energy and have undertaken measures to harvest solar energy. Moreover, many of the estates of the Company use natural gas which is considered as a clean fuel. The details regarding the initiative can be accessed of <http://www.mcleodrussel.com/csr/environment.aspx>

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**

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 Chamber of Commerce
- (b) Bengal Chamber of Commerce and Industry
- (c) Indian Tea Association
- (d) Calcutta Tea Traders Association
- (e) Guwahati Tea Auction Committee
- (f) Siliguri Tea Auction Committee.

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas ( drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

Yes. The Company, in association with the Indian Tea Association, has organised roadshows and other programmes across different parts of the country, to propagate the health benefits of drinking tea.

### Principle 8

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

In terms of Inclusive growth and equitable development, the Company has taken active initiative and programmes.

The Company has undertaken following measures in this regard:-

Construction of Sports Infrastructural facilities for the students at Assam Valley School at Assam

Vermicompost Production by Villagers

Supporting elderly ladies at Old Age Home and villagers with distribution of food, clothes and blankets etc. and educational support to slum children.

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

The programmes are undertaken through in house team and also through external organisation.

3. Have you done any impact assessment of your initiative? - No.

4. What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken. - Rs. 197.93 lakhs.

Details given in Principle 8(1) above

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.

Yes. The Company monitors the progress of the projects and ensures that the Community benefits from the said projects by way of creation of employment, spreading of education, protection of environment, etc.

### Principle 9

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year. - 14%

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? - No

For and on Behalf of the Board

**A. Khaitan**

Managing Director

**K.K. Baheti**

Whole Time Director & CFO

Date: 30<sup>th</sup> May 2017

Place: Kolkata