

## BUSINESS RESPONSIBILITY REPORT

*Pursuant to Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.*

### SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1	Corporate Identity Number (CIN) of the Company:	L25209DN1985PLC000162
2	Name of the Company:	Nilkamal Limited
3	Registered address:	Survey No. 354/2 and 354/3, Near Rakholi Bridge, Silvassa-Khanvel Road, Vasona, Silvassa – 396 230, Union Territory of Dadra and Nagar Haveli.
4	Website:	<a href="http://www.nilkamal.com">www.nilkamal.com</a>
5	E-mail id:	<a href="mailto:investor@nilkamal.com">investor@nilkamal.com</a>
6	Financial year reported:	April 1, 2017 to March 31, 2018
7	Sector(s) that the Company is engaged in (industrial activity code-wise): <i>As per National Industrial Classification – Ministry of Statistics and Programme Implementation</i>	<ul style="list-style-type: none"> <li>i) 222-Manufacture of plastic products</li> <li>ii) 471-retail sales in non-specialized stores</li> <li>iii) 310-manufacture of mattresses and pillows</li> <li>iv) 469-other non-specialized wholesale trade</li> </ul>
8	List three key products/services that the Company manufactures /provides (as in balance sheet):	<ul style="list-style-type: none"> <li>i) Plastic moulded products,</li> <li>ii) lifestyle furniture, furnishings and accessories, and</li> <li>iii) Mattresses</li> </ul>
9	Total number of locations where business activity is undertaken by the Company:	
	a) Number of International Locations (Provide details of major 5):	None
	b) Number of National Locations:	10 plants, 17 @home stores, 14 Nilkamal Home Idea stores and various regional and marketing offices alongwith warehouses across the country.
10	Markets served by the Company – Local/State/National/International:-	Pan India alongwith exports to some of the international countries.

## SECTION B: FINANCIAL DETAILS OF THE COMPANY

1	Paid up Capital (INR):	149,225,250
2	Total Turnover (INR):	210,796 Lacs
3	Total profit after taxes (INR):	11,726 Lacs
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):	2.21%
5	List of activities in which expenditure in 4 above has been incurred	The above expenditure is incurred towards various activities pertaining to providing education, making available safe drinking water, rural development project, providing healthcare and sanitation facilities, and environmental sustainability, vide Nilkamal Foundation - the Implementing Agency as well as directly by itself.

## SECTION C: OTHER DETAILS

1	Does the Company have any Subsidiary Company/ Companies?	Yes the Company has 4 (four) subsidiaries.
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)	The Company encourages its subsidiaries to undertake BR initiatives to the fullest extent in their operations. The Company's three subsidiaries are incorporated outside India, they comply with the local statutory requirements of their respective countries. The fourth subsidiary is an Indian Company, incorporated as a Section 8 Company for undertaking the CSR activities 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? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	The Company encourages the stakeholders associated with it to adopt sustainable business practices. The stakeholders' makes their efforts, to the extent possible, to adhere to the Company's BR policies.

## **SECTION D: BR INFORMATION**

### **1. Details of Director/ Directors responsible for BR:**

DIN: 00035747

Name: Mr. Sharad V. Parekh

Designation: Managing Director

#### **b) Details of the BR head:**

1. DIN Number (if applicable): 00035747
2. Name: Mr. Sharad V. Parekh
3. Designation: Managing Director
4. Telephone number: 022 4235 8651
5. E-mail ID: brr@nilkamal.com

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

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

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

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

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	Do you have a policy/ policies for:	Y	Y	Y	Y	Y	Y	Refer note 1.	Y	Refer note 2.
2	Has the policy being formulated in consultation with the relevant stakeholders?	Yes								
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Yes. The policies confirm with the standards laid in the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business issued by the Ministry of Corporate Affairs, Government of India, and also of the requirements of the Companies Act, 2013, BIFMA and Green-guard certifications from UK cert, OHSAS 18001, International Standards namely ISO 9001, 50001 and 14001, etc.								
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	The Policies which are statutorily required to be adopted by the Board, have been approved by them, while the others policies are formulated and implemented by the Human resources department of the Company.								
5	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	The Company is having a Committee for CSR as well as Anti Sexual Harassment of Women at workplace and dedicated Ethic Counselors for Whistle Blower Policy. For other policies, the Company has put in place adequate process and resources for its implementation.								
6	Indicate the link for the policy to be viewed online?	Please refer Note 3.								

7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes
8	Does the Company have in-house structure to implement the policy/ policies.	Yes
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Yes
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Yes

Note: The replies to the questions at serial no. 2 to 10 as mentioned above are applicable to all the Principles except the Principles 7 and 9.

- b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)
- i) The Company has not understood the Principles
  - ii) The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles
  - iii) The Company does not have financial or manpower resources available for the task
  - iv) It is planned to be done within next 6 months
  - v) It is planned to be done within the next 1 year
  - vi) Any other reason (please specify)

Note 1: With respect to the Principle 7, the Company is a member of various chambers and associations through which it has been advocating from time to time in a responsible manner, and hence a specific policy for the same has not been adopted.

Note 2: With respect to the Principle 9, the Company has a systematic process of assessing customer needs, fulfilling them with innovative products and services and providing value to them in a responsible manner.

Note 3: The Company's CSR Policy, Code of Business Ethics, Code of Conduct, Whistle Blower Policy and Anti-Sexual Harassment Policy, Environment Policy and Health and Safety Policy are available on the Company's website at the following link: <http://www.nilkamal.com/menudetails/investors-zone/corporate-governance/358>.

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 Business Responsibility performance of the Company is assessed periodically.
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, the Company uploads Business Responsibility Report annually, which is available at <a href="http://www.nilkamal.com/menudetails/investors-zone/corporate-governance/358">http://www.nilkamal.com/menudetails/investors-zone/corporate-governance/358</a> .

**SECTION E: PRINCIPLE-WISE PERFORMANCE**

<b>Principle 1</b>		
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?	<p>The Company is committed to the philosophy of good corporate governance practices, thereby conducting business in a responsible manner. To achieve the said objective, the Company has certain policies namely the Code of Business Ethics for its employees, the Code of Conduct for Directors and Senior Managerial Personnel, The Whistle Blower Policy and the same are available on the Company's website at <a href="http://www.nilkamal.com">www.nilkamal.com</a>. These policies enforce a common code of ethics, empowers employees to report unethical practices and ensures swift redressal. The Company also has in place an Anti-Sexual Harassment Policy which institutes specific mechanisms to deal with workplace harassment. The Company has also assigned dedicated email ids for the stakeholders to raise their concerns under the above policies.</p> <p>Further, the Company also persuades its Joint venture, suppliers, contractors and others to follow the said policies, to the extent applicable to them.</p>
2	How many stakeholder complaints have been	During the financial year 2017-2018, the

	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.	Company has not received any complaints from any stakeholder.
	<b>Principle 2</b>	
1	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities	<p>The Company constantly strives to design and develop eco-friendly, safe and energy efficient products, incorporating social and environmental concerns. Some of the products introduced during the year 2017-18, are as below:</p> <ul style="list-style-type: none"> <li>i) To align with the vision of Swachh Bharat Abhiyaan, the Company has introduced Sato Toilet pan and Sato Collection Box to support providing of clean toilet facilities and disposal of waste for Communities and Municipalities.</li> <li>ii) Manhole Chamber system - Designed to support and improve drainage system.</li> <li>iii) Design and manufacture of plastic basket for tea leaves, which has replaced the conventional baskets made from cane, thus helped in reduction of Bamboo usage.</li> <li>iv) Design of new Freeze Safe Vaccine boxes as per WHO requirements.</li> <li>v) Manufacturing of plastic lockers and desks for Schools / 'Aganwadi' for rural areas. Lockers were previously made from metal are now replaced with plastics.</li> <li>vi) Design and manufacture of waste bins of various capacity and sizes for Swachh Bharat Abhiyaan.</li> <li>vii) Pallets, big size milk tanks, etc. made in plastic helped save conventional materials like wood and metal.</li> <li>viii) Manufacturing of plastic parts for EVMs, helped in reduction of usage of ballot paper.</li> </ul>
2	For each such product, provide the following	The Company's Environment Policy

	<p>details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):</p> <p>(a) Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?</p> <p>(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?</p>	<p>enables its employees to strive towards prevention of pollution and for continuous conservation of valuable resources. As a measure of the same, the Company has installed 3 new big sized Injection molding machines with energy saving system, which has resulted in reduction of electrical units. Energy consumption has further reduced by 4.3% for every kilo of plastic processed.</p> <p>Similarly the Company has been able to reduce its water consumption by 8%. The Company has started practicing <u>Zero water discharge</u> wherein the waste water generated in all the factories is recycled and reused for gardening and toilet flushing.</p>
3	<p>Does the Company have procedures in place for sustainable sourcing (including transportation)?</p> <p>a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so</p>	<p>Yes.</p> <p>The Company encourages the HUB and Spoke Policy resulting in sustainable sourcing from many local based suppliers, giving them opportunity to supply raw materials and packing materials.</p>
4	<p>Has the company taken any steps to procure goods and services from local &amp; small producers, including communities surrounding their place of work?</p> <p>a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?</p>	<p>Yes, the Company has registered many small scale units under MSME as its suppliers.</p> <p>Apart from providing resources, the Company's representatives also give on-the-job training with proper QMS practices, thus enabling the suppliers to get ISO-9001 certification, to ensure quality and productivity. The Company makes sure that they utilize their full manufacturing capacity throughout year with preferred vendor program.</p> <p>These initiatives has resulted in an increased outsource tonnage by 9%.</p>
5	<p>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 &lt;5%, 5-10%, &gt;10%). Also, provide</p>	<p>Yes, the Company has in-house grinders to grind and re-use its own process wastes. Also, it has installed extruder / pelletizing machine for making granules. The</p>



	details thereof, in about 50 words or so	Company's complete recycling line, grinds and cleans used crates from its customers, and the said recycled material is then used to produce new crates for customers.  Further, waste oil is also recycled and reused around 98.22%.																
	<b>Principle 3</b>																	
1	Please indicate the Total number of employees	3,012																
2	Please indicate the Number of permanent women employees	235																
3	Please indicate the Number of permanent employees with disabilities	5																
4	Do you have an employee association that is recognized by management	No																
5	What percentage of your permanent employees is members of this recognized employee association?	Not Applicable																
6	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	The Company does not advocate child labour or forced labour. Further, the Company has not received any complaints relating to involuntary labour or sexual harassment.																
	<table border="1"> <thead> <tr> <th>No.</th> <th>Category</th> <th>No. of complaints filed during the financial year</th> <th>No. of complaints pending as on end of the financial year</th> </tr> </thead> <tbody> <tr> <td>i)</td> <td>Child labour/forced labour/involuntary labour</td> <td>Nil</td> <td>N.A</td> </tr> <tr> <td>ii)</td> <td>Sexual harassment</td> <td>Nil</td> <td>N.A</td> </tr> <tr> <td>iii)</td> <td>Discriminatory employment</td> <td>Nil</td> <td>N.A</td> </tr> </tbody> </table>		No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year	i)	Child labour/forced labour/involuntary labour	Nil	N.A	ii)	Sexual harassment	Nil	N.A	iii)	Discriminatory employment	Nil	N.A
No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year															
i)	Child labour/forced labour/involuntary labour	Nil	N.A															
ii)	Sexual harassment	Nil	N.A															
iii)	Discriminatory employment	Nil	N.A															
7	<p>What percentage of your under mentioned employees were given safety &amp; skill up-gradation training in the last year?</p> <p>a) Permanent Employees b) Permanent Women Employees c) Casual/Temporary/Contractual Employees d) Employees with Disabilities</p>	<p>The Company has in place a Health and Safety Policy, which prioritizes the health and safety of all persons working within the Company premises. The Company also provides health and safety training on periodical basis, with a view to prepare the employees for the emergencies.</p> <p>Further, the Company also imparts training on a regular basis to its retail workforce for enhancement of their skills.</p>																

<b>Principle 4</b>		
1	Has the Company mapped its internal and external stakeholders? Yes/No	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	<p>Yes</p> <p>The Company undertakes a project on a continuous basis named as 'V30Winner', which provides opportunity to and proactively engages the disadvantaged, vulnerable and marginalized section of its workforce.</p> <p>Under this project a group of 3-5 workman is formed who provides the Company innovative ideas, either financial or non-financial, for the benefit of the Company. The best ideas amongst all are selected and adopted by the Company and the team is incentivized.</p> <p>In this manner the Company recognizes and motivates the marginalized stakeholders.</p> <p>The Company had undertaken 1511 projects during FY 2017-2018, which focused on lean management and cost savings. Further, various other initiatives on Energy Savings also resulted in 323 successful projects under the "V30 Winner" theme.</p>
<b>Principle 5</b>		
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	All the aspects of the Human rights are covered by the Company's internal HR policies and practices. The Company does not hire child labour, forced labour or involuntary labour and never discriminates between its employees. Further, the Company also persuades its Joint venture, suppliers, contractors and others to follow the said practices, to the extent possible.
2	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management	Nil
<b>Principle 6</b>		
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 on Environment is applicable to all, including its Joint Venture Companies. Further, the Company obtains its raw material from large suppliers who

		themselves are law compliant and have National awards to their credit.
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.	<p>Yes. The Company believes that addressing the global environmental issues is a major concern and the Company takes steps on a continuous basis to address the same.</p> <p>The Company has been certified for “Green Guard” compliance which ensures:</p> <ul style="list-style-type: none"> <li>i) Consumption of less energy at the manufacturing stage.</li> <li>ii) Harmful gases are not emitted when exposed for longer duration which pollutes indoor air quality.</li> <li>iii) Safe disposal or recycling to make new products at the end of its life cycle.</li> </ul> <p>Further, the plastic raw materials, used by the Company are FDA and RoHS compliant, and the practice of reduce, recycle &amp; reuse of scarce resources and waste management, including hazardous wastes, too is done in accordance of the PCB norms.</p>
3	Does the Company identify and assess potential environmental risks? Y/N	<p>Yes. Aspect &amp; Impact Study for all processes is carried out with proper Management program for all significant aspects.</p> <p>The Company continues to effectively maintain ISO14001 EMS certification by TUV-SUD Germany.</p> <p>Yes, the Company has a mechanism to identify and assess potential environmental risks in its plants.</p>
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	<p>Yes. The Company ensures consistent reduction of energy consumption across all units, constantly monitors and controls water to achieve Zero Water discharge. Further, Waste Management disposal is also practiced across all units. Environment Statement Form V is filed.</p>
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.	<p>Yes. The Company has undertaken initiatives in use of renewable energy by installing and commissioning 400KWH Solar Energy in one of its units. The company has successfully utilized Solar</p>

		Energy consumption of 45,000 units of electricity every month.
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
	<b>Principle 7</b>	
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:	Federation of Indian Chambers of Commerce and Industry (FICCI) and Plastic Export Promotion Council (PLEX Council), Retail Association of India (RAI)
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 proactively participates in the various activities of the association.
	<b>Principle 8</b>	
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 CSR policy in place and it carried out activities majorly in the areas of education, making available safe drinking water, providing of health care and sanitation facilities, environment sustainability, animal welfare and rural development.
2	Are the programmes/projects undertaken through in-house team/own foundation/ external NGO/ government structures/any other organization?	The Company carries on its CSR activities through Nilkamal Foundation – the Implementing Agency.
3	Have you done any impact assessment of your initiative?	The Company makes CSR spends through Nilkamal Foundation – implementing agency, which contributes to various institutions/ projects having good track record. Since, impact assessment is an ongoing process, the Company periodically assess whether the said institutions have utilized the funds towards the purpose for which they have been donated.
4	What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.	During the year ended March 31, 2018, the Company has spent c 259.01 lacs on various projects. The details of the same are provided under the 'Annual Report on CSR' section.
5	Have you taken steps to ensure that this	The Company has contributed its funds to

	community development initiative is successfully adopted by the community? Please explain in 50 words, or so	institutions furthering the benefit to the disadvantaged and needy section of the society and the same has been acknowledged by them.
	<b>Principle 9</b>	
1	What percentage of customer complaints/consumer cases are pending as on the end of financial year	As on March 31, 2018, about 0.23% of the customer complaints received during the year was pending.
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. The Company follows all legal statutes with respect to product labeling and displaying of product information, such as features, attributes, benefits, recycling codes, etc., wherever required. Further, the Company adheres to appropriate advertising policies and also adopts fair business practices in all its dealings. The Company never restricts the freedom of choice and free competition in any manner while catering to its customer needs.
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.	Nil
4	Did your Company carry out any consumer survey/ consumer satisfaction trends?	Yes. The Company has carried out certain customer surveys pertaining to customer satisfaction.