

## Annexure IX to the Board's Report

# BUSINESS RESPONSIBILITY REPORT

### About Balrampur Chini Mills Limited:

Balrampur Chini Mills Limited ("the Company") is one of the largest integrated sugar manufacturing companies in India. The Company has 10 factories in Uttar Pradesh possessing a cane crushing capacity of 76,500 tonnes per day in aggregate while its distilleries possess an aggregate capacity of 360 kiloliters per day and cogeneration capacity of 262.41 megawatts (saleable 163.20 megawatts).

### About this report:

Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ("the Listing Regulations"), prescribe that the Top 500 companies based on market capitalization as on March 31st of every financial year, shall have "Business Responsibility Report" as part of their Annual Report.

Since the Company was one of the Top 500 companies based on market capitalization, the Business Responsibility Report of the Company was presented for the financial years 2016-17 and 2017-18. The same is not applicable for the Company for the financial year 2018-19, since the Company was not amongst the Top 500 companies based on market capitalization as on 31st March, 2018. However, for sake of continuity, the Company is presenting its 3rd Business Responsibility Report ("the BR Report") on a voluntary basis.

The Business Responsibility Policy of the Company is based on the National Voluntary Guidelines on Social, Environmental & Economic Responsibilities of Business (NVGs) issued by the Ministry of Corporate Affairs, Government of India. The BR Report has been prepared in accordance with Regulation 34 of the Listing Regulations and provides the requisite information as prescribed by SEBI.

### SECTION A: General information about the Company:

1.	Corporate Identity Number (CIN) of the Company:	L15421WB1975PLC030118	
2.	Name of the Company:	Balrampur Chini Mills Limited	
3.	Registered Address:	234/3A, A J C Bose Road, FMC Fortuna, 2nd Floor, Kolkata 700020	
4.	Website:	www.chini.com	
5.	Email ID:	bcml@bcml.in	
6.	Financial Year Reported:	2018-19	
7.	Sector(s) that the Company is engaged in (industrial activity code-wise):	Manufacturing of Sugar	10721
		Production of Industrial Alcohol	1101
		Generation of Power	35106
8.	List three key products/services that the Company manufactures/provides (as in balance sheet):	1. Sugar 2. Industrial Alcohol 3. Power (Co-generation)	
9.	Total number of locations where business activity is undertaken by the Company:	1. Number of International Locations (Provide details of major 5) – Nil 2. Number of National Locations: The Company carries out its operations through its Registered Office in Kolkata (West Bengal), offices in New Delhi and Lucknow and 10 Manufacturing Facilities located across Eastern and Central Uttar Pradesh at Balrampur, Babhnan, Tulsipur, Haidergarh, Akbarpur, Mankapur, Rauzagaon, Kumbhi, Gularia and Maizapur.	
10.	Markets served by the Company – Local/State/ National/International	Local	✓
		State	✓
		National	✓
		International	✓

## SECTION B: Financial details of the Company:

1.	Paid up Capital (INR)	22,84,38,327
2.	Total Turnover (INR)	4285.78 Crore
3.	Total profit after taxes (INR)	570.64 Crore
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	0.76% of average net profit of last three financial years.
5.	List of activities in which expenditure in 4 above has been incurred:-	Please refer to Annexure VI to the Board's Report forming part of this Annual Report.

## SECTION C: Other Details:

- Does the Company have any Subsidiary Company/ Companies?  
No, the Company does not have any subsidiary as on 31st March, 2019.
- 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)  
Not Applicable.
- 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.

## SECTION D: BR Information:

- Details of Director/Directors responsible for BR
  - Details of the Director/Directors responsible for implementation of the BR policy/policies
    - DIN: 00846939
    - Name: Dr. Arvind Krishna Saxena
    - Designation: Whole-time Director
  - Details of the BR head

No.	Particulars	Details
1.	DIN Number (if applicable)	N.A.
2.	Name	Shri N. K. Khetan and Shri N. K. Agarwal
3.	Designation	Shri N. K. Khetan - Executive President & Group Commercial Advisor Shri N. K. Agarwal - Executive President
4.	Telephone number	05263 – 232379
5.	e-mail id	nk.khetan@bcml.in nk.agarwal@bcml.in

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

(a) Details of compliance:

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
3.	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Yes, the Policy is based on the "National Voluntary Guidelines on Social, Environmental & Economic Responsibilities of Business" released by the Ministry of Corporate Affairs, Government of India. Apart from this, the policies on the principles are based on the generally accepted practices for the respective principles. The Company is in a process of making the Policy conform to the "National Guidelines on Responsible Business Conduct (NGRBC)" released by the Ministry of Corporate Affairs, Government of India in March 2019.								
4.	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Yes, the Board of Directors of the Company has approved the Policy at their meeting held on 15th November, 2016 and the same was revised at a meeting of the Executive Committee of the Board held on 29th November, 2018. The Policy has been signed by the Company Secretary, pursuant to the authorization by the Board.								
5.	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online?	<a href="http://chini.com/wp-content/uploads/2019/05/BRR_Policy_16052019.pdf">http://chini.com/wp-content/uploads/2019/05/BRR_Policy_16052019.pdf</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 like Notice Boards, etc., are used.								
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?	The implementation of the Business Responsibility Policy was evaluated by the Internal Auditors of the Company, being an independent audit firm, who reports issues, if any, to the Board of Directors of the Company.								

(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	Not applicable								
2.	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
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

Annually. The Board of Directors has reviewed the BR performance of the Company at their meeting held on 4th February, 2019.

- (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 Business Responsibility Report (on an annual basis) from the financial year 2016-17 and onwards and the same forms part of the relevant Annual Reports. The same can be accessed at [www.chini.com](http://www.chini.com).

## SECTION E: Principle-wise performance:

### Principle 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 Company's policies on Ethics, Transparency and Accountability along with the Company's Code of Conduct and Business Ethics ("the Code") 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 and regulations. The Company also has in place a Whistle Blower Policy.

There is no group structure or joint venture of the Company. The Company does not have any subsidiary. The Company is gradually encouraging parties associated with it like vendors, suppliers, contractors, etc., to follow the principles envisaged in the Policy.

- 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 2018-19	Complaints Resolved during FY 2018-19	Complaints Resolved (%)
Investors' Complaints	270	270	100%
Customers' Complaints	18	18	100%
<b>Total</b>	<b>288</b>	<b>288</b>	<b>100%</b>

### Principle 2

- 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 of sugar, industrial alcohol and co-generation of power. All the products of the Company take care of the social / environment concerns and risks. The Company has bagasse-based power generation facilities, which is a great alternative to fossil fuels and reduces greenhouse gas emission to safeguard the environment. The Company has also invested in optimization of power and steam consumption which saves additional bagasse and provides additional raw material for enhanced running of capacities already installed. Earlier the effluents from sugar mills was considered a nuisance, however, with improved effluent treatment systems now available, the treated affluent has become a boom for farmers for land irrigation. The treated water is recycled through RO Plants to substitute fresh water requirements.

The Industrial Alcohol producing units are running on Zero Liquid Discharge (ZLD) technology and therefore, does not have any negative impact on the environment.

- 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?

The Company has progressively invested in optimum use of resources. The core cane crushing operation generates molasses (as by-product) and bagasse (as waste); molasses is utilized to manufacture ethanol (a green fuel) while bagasse is being utilized to generate green power.

Sugarcane process produces 45 - 50% water (450 - 500 litres / ton cane crush) on cane crushed in the form of vapour condensate of 70-80 degree centigrade out of which approximately 28 - 30% (280 - 300 litres / ton cane crush) evaporates through cooling towers while the remaining 17 - 20% (170 - 200 litres / ton cane crush) is captured within the system through recirculation.

All our sugar units are now equipped with the latest effluent treatment plants (ETP) coupled with buffer storage reservoirs to avoid shock dosing of the ETP and with ponds for irrigation to comply with pollution control norms. We are one of the few companies having Sulphate removal system installed and running at our units. Though we are not in GANGA BASIN, we have upgraded our effluent treatment plants well before others to the best possible levels.

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

The data regarding reduction during usage by consumers is not available with the Company but the Company regularly makes investments to reduce steam and power consumption.

3. Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

Yes, the Company deploys sustainable procurement practice. All the plants of the Company are situated close to cane growing area. Entire raw material is procured sustainably. Since the inputs are procured from sources close to the units, it also helps in minimizing transportation costs. Cane is also supplied by small and medium farmers through bullock driven carts. This significantly reduces the environmental impact of transportation of raw materials.

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 sources 100% of its raw materials (that is, sugarcane) from areas near to the units. It procures cane from the farmers (including small and medium farmers) based on the areas allotted to the respective units by the Cane Commissioner. The Company works closely with cane growers of the allotted areas to improve their productivity. In order to achieve this, the Company shares knowledge and expertise in sustainable agriculture practices with the farmers for cane cultivation. Besides this, the farmers are also guided on selection and use of right type of agri-inputs. These developmental activities help in improvement of quality and yield of cane thereby benefitting the Company as well as the farmers. The Company has been highly effective in encouraging farmers to grow the best variety of cane.

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.

The core cane crushing operation generates molasses as a by-product which is utilized to manufacture ethanol. Waste generated from sugar crushing operation (bagasse) & distillery operation (spent wash) are used as fuel for generating clean energy. Further, Boiler Ash generated from Incineration Plants is rich in Potash and thereby serves as a vital soil nutrient. We have installed potash granulation plant for converting the rich potash resource into a form which can be used as agri-inputs.

Thus the by-products and waste generated out of manufacturing processes are mostly recycled.

### Principle 3

As on 31st March, 2019

1.	Please indicate the Total number of employees.	3850 (Not including Badli Workers, Seasonal, Retainers, Advisors, Trainees / Apprentices, etc.,)
2.	Please indicate the Total number of employees hired on temporary/ contractual/casual basis.	Sugar Industry being a seasonal industry (October to September), the Company has different number of employees hired on seasonal basis during the season and off-season. In view of this, the number of employees hired on seasonal / temporary / contractual / casual basis as on 31st March, 2019 would not be meaningful and hence not provided.
3.	Please indicate the Number of permanent women employees.	5
4.	Please indicate the Number of permanent employees with disabilities.	2
5.	Do you have an employee association that is recognized by management.	Yes
6.	What percentage of your permanent employees is members of this recognized employee association?	The Company has 10 Sugar Mills located across Eastern and Central Uttar Pradesh. The factory-wise percentage varies from Nil to 70%.
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?	
a.	Permanent Employees	69%
b.	Permanent Women Employees	20%
c.	Casual/Temporary/Contractual Employees	32%
d.	Employees with Disabilities	50%

## Principle 4

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.

The Company identifies marginal growers with very small land holdings around its units as disadvantaged, vulnerable & marginalized stakeholders. The Company continuously engages with majority of them for identifying their needs & priorities and provides need based resolution to their problems.

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.

Developmental activities are carried out by the Company by providing necessary guidance to the small and marginalized cane growers towards selection of right variety of seed and agri-inputs, etc.

## 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?

The Company's policy on Respecting and Promoting Human Rights is applicable to all directors and employees of the Company. There is no group structure or joint venture of the Company. The Company doesn't have any subsidiary. The Company is gradually encouraging vendors, suppliers, contractors, etc., associated with it, to follow the principles envisaged in the Policy.

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.

## 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 Company's policies on Respecting, Promoting and Restoring the Environment and in relation to Environment, Health & Safety (EHS) are applicable to all directors and employees of the Company. There is no group structure or joint venture of the Company. The Company doesn't have any subsidiary. The Company is gradually encouraging vendors, suppliers, contractors, etc. associated with it to follow the principles envisaged in the Policy. The EHS Policy also covers the contractors engaged by the Company.

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.

Global environment issues such as climate change, global warming, GHG emissions pose challenges to all. The Company is totally committed to reduce their impact. At the captive power plants, Bagasses (waste generated) is used as fuel for generating power. At the Distillery, Spent Wash (effluent generated) is mixed with Bagasse and used as fuel in boilers to generate clean energy with minimal carbon footprint by incineration process.

There is no usage of non-renewal resources except in case of power outages/emergency. The Company has installed ESP and wet scrubbers at the boilers to arrest / control air pollution.


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 undertaken several initiatives on clean technology, energy efficiency, renewable energy, etc. The Company has achieved spectacular results in utilization of hazardous and pollutant industrial waste namely Spent Wash. This waste is used as a fuel at the incineration boilers of the Company for generating clean energy.

Further details relating to conservation of energy can be found in Annexure IV forming part of the Board's Report.

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

All the emissions / waste generated by the Company during the financial year 2018-19 are generally within the permissible limits given by CPCB / SPCB.

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.

No show cause/ legal notices from CPCB/SPCB are pending as on 31st March, 2019.

### 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 is member of various trade, industry and chamber associations like CII, FICCI, Indian Chamber of Commerce, Indian Sugar Mills Association, UP Sugar Mills Association, UP Sugar Mills Co Gen Association, etc.

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

The Company prefers to be part of the broader policy development process taking into account the Company's as well as larger national and stakeholders' interest. However, it does not practice lobbying on any specific issue.

### Principle 8

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

CSR activities are carried on by the Company through :

- (i) Balrampur Institute of Vocational Aid,
- (ii) Balrampur Foundation,
- (iii) Other societies, trusts, hospitals, funds or organisations engaged in CSR activities, as may be approved by the CSR Committee of the Board.

The details of programmes/ initiatives/ projects in pursuit of the CSR policy are provided in the CSR Report forming part of the Board's Report.

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

The programmes/projects are undertaken through own foundation as well as through other external NGOs / organizations subject to approval of CSR Committee.

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

The Company assesses the impact of its CSR Projects and Programmes at Board and CSR Committee meetings. Updates on the utilization, certifications and details received from the implementing agencies are placed at the CSR Committee meetings for its review and assessment.

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

The Company has spent an amount of ₹293.44 Lacs in various CSR activities during the year 2018-19. The details of the amount incurred and areas covered are given in Annexure - VI (Annual Report on Corporate Social Responsibility Activities) forming part of the Board's Report.

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.

Apart from various CSR projects and programs eligible as CSR spend under the prescribed law, various community development initiatives are also undertaken by the Company after identifying the needs of the communities requiring development. The Company also interacts with the stakeholders to ensure that its projects are being implemented effectively. Apart from this, the Company also procures details of utilization / certificates of utilization from the implementing agencies to which the Company has contributed for community development.

### Principle 9

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

The Company has successfully resolved 100% of the complaints received during the financial year ended 31st March, 2019 and no complaint relating to the current year or an earlier year is 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 applicable product information, wherever it is sold in packed condition (i.e. Sugar), is displayed on the bags. Besides, the Company complies with the applicable regulations as provided in Legal Metrology Act, Bureau of Indian Standards Specifications, Food Safety and Standards Act and the relevant rules prescribed therein.

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.

The Company never indulges in any unfair trade practices, irresponsible advertising and/or anti-competitive behavior, however, based on a complaint, CCI has ordered investigation against the Oil Marketing Companies (OMCs), ISMA and various Sugar Mills (including the Company) for anti-competitive behavior in the tender floated by OMCs in 2012-13 for procurement of Ethanol under the Ethanol Blending with Petrol programme of the Government of India. The said allegation has been contested by the Company. In this regard, CCI has passed an Order dated 18th September, 2018 (CCI Order), inter alia, imposing a penalty of ₹4.28 Crores on the Company. The CCI Order has been challenged by the Company before the Hon'ble NCLAT and the said Tribunal has stayed the CCI Order so far as it relates to the penalty amount subject to deposit of 10% of the penalty amount, which has been complied by the Company. The outcome the said appeal before the Hon'ble NCLAT is pending at the end of the financial year under report.

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

There is no formal customer survey carried out by the Company. However, the Company ensures customer satisfaction by obtaining informal feedback from the wholesalers / agents from the market. Further, the website of the Company has a specific section where customers can post their queries, grievances and feedback for the products of the Company.

**For and on behalf of the Board of Directors**

sd/-

**Dr. Arvind Krishna Saxena**

*Whole-time Director*

DIN – 00846939

sd/-

**Vivek Saraogi**

*Managing Director*

DIN – 00221419

Place: Kolkata

Date: 25th May, 2019