



# Business Responsibility Report

## SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the company	L01100PN1998PLC013068
2. Name of the Company	Prabhat Dairy Limited
3. Registered address	Gat No. 122, At Ranjankhol, TalukaRahata, Dist. Ahmednagar – 413720 Tel. No.: 91 2422 265995 Fax No.: NA Email: <a href="mailto:investor@prabhat-india.in">investor@prabhat-india.in</a>
4. Website	<a href="http://www.prabhat-india.in">www.prabhat-india.in</a>
5. E-mail ID	<a href="mailto:investor@prabhat-india.in">investor@prabhat-india.in</a>
6. Financial Year reported	2019-20
7. Sector(s) that the Company is engaged in (industrial activity code-wise)	Animal Feeds- 10801, 10802, 10803
8. List three key products/services that the Company manufactures/provides (as in Balance Sheet)	Cattle Feed and Animal Nutrition
9. Total number of locations where business activity is undertaken by the Company	01
10. Markets served by the Company	Domestic Markets

## SECTION B: FINANCIAL DETAILS OF THE COMPANY

	(₹ In lakhs)
1. Paid up capital (INR)	9767.61
2. Total Turnover (INR)	52,181.84
3. Total profit after taxes (INR)	(12,011.27)
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of Profit after taxes (%)	3.99%

5. List of activities in which expenditure in Section B (4) above has been incurred:

The list of activities in which the CSR expenditure mentioned above has been incurred is as follows:-

areas of animal welfare, rural development projects, self-sustaining livelihood projects, women empowerment, enhancing vocational skills

## SECTION C: OTHER DETAILS

1. **Does the Company have any Subsidiary Company/ Companies?** As on 31<sup>st</sup> March, 2020, the Company has TWO subsidiary companies named Cheese Land Agro (India) Private Limited (CLAIPL) and Shrirampur Agri Solutions Private Limited (SASPL).

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)**

CLAIPL endeavors to participate. SASPL is yet to commence any business activity.

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 other entities with whom the Company does business, viz., suppliers, distributors, etc. do not participate in the business responsibility initiatives of the Company.

## SECTION D: BUSINESS RESPONSIBILITY (BR) INFORMATION

### 1 Details of Director/ Directors responsible for BR

#### a) Details of the Director/ Directors responsible for implementation of the BR policy/ policies as on March 31, 2020

The Board of Directors of the Company has constituted a Corporate Social Responsibility (CSR) Committee pursuant to the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, comprising of the following Directors as its Members (as on March 31, 2020):

Name	DIN	Designation
Dr. Bhaskar Gaikwad	08440915	Chairman of the Committee (Non-executive Independent Director)
Dr. Abdul Samad	07929280	Non-executive Independent Director
Mr. Vaibhav Parjane	08102059	Non-executive Independent Director
Mr. Sarangdhar Nirmal	00035234	Managing Director

#### b) Details of the BR Head

No.	Particulars	Details
1.	DIN Number (if applicable)	00820923
2.	Name	Mr. Vivek Nirmal
3.	Designation	Joint Managing Director
4.	Telephone Number	91 2422 265995
5.	E-mail ID	Vivek.nirmal@prabhat-india.in

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

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

Sr. No.	Particulars	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?	The Company has formulated the policies and adopted best practices in its own volition, while being sensitive to the interest of all stakeholders								
3	Does the policy conform to any national / International standards? If yes, specify? (50 words)	The policies have been developed as per the Companies Act, 2013 ("the Act") and SEBI Listing Regulations and the global policies are in line with the global statutory requirements. They are also on the lines of the 'National Voluntary Guidelines on Social, Environment and Economic responsibilities of businesses' established by the Ministry of Corporate Affairs, Government of India in 2011.								

Sr. No.	Particulars	P1	P2	P3	P4	P5	P6	P7	P8	P9
4	Has the policy been approved by the Board? If yes, has it been signed by MD/owner/ CEO/ Appropriate Board Director?	Since all the policies are not required to be approved by the Board of Directors, the approval of the Board has been obtained wherever it is mandatory. Yes, however not all policies as it is not a mandatory requirement.								
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Yes								
6	Indicate the link for the policy to be viewed online	The policies formulated and adopted by the Company are available on the website of the Company <a href="http://www.prabhat-india.in">www.prabhat-india.in</a>								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	All our policies are available on the website								
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?	The working of all the policies is internally monitored. Audit / evaluation by external agencies is carried out wherever mandatory.								

If answer to Sr. No. 2 against any principle, is 'No', please explain why:  
NOT APPLICABLE

#### 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.**

The BR performance of our Company is measured and evaluated by the CSR Committee and Board of Directors

- b. **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

This is the Company's first Business Responsibility Report which forms part of the Annual Report.

The same can be viewed at the Company's website [www.prabhat-india.in](http://www.prabhat-india.in).

#### SECTION E: PRINCIPLE-WISE PERFORMANCE

**Principle 1 (P1): Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.**

1. **Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs /Others?**

The Company pursues good Corporate Governance by ensuring regulatory compliance, transparency in disclosures, efficient operational practices, strong internal controls, risk management systems, and by engaging and operating with fairness and integrity with all its stakeholders, namely, shareholders, customers, employees, suppliers, regulatory authorities and general public. The Company, as a responsible corporate citizen, is fully aware of its obligations to make appropriate and timely disclosures as mandated under various laws. The Company also refrains from engaging in any practices that are abusive, corrupt or

anti competition. We have adopted policies relating to ethics, bribery and corruption. Our Company follows unwavering and resolved ethical practices which extends from organisational level to all our third parties dealing with us. We are committed to conduct our operations beyond compliance and adhere to our ethical principles. Our Code of Business Conduct is applicable to all our employees, Board of Directors and senior management.

The Company encourages its business partners, viz., suppliers, distributors, contractors, etc. to follow ethics, transparency and accountability in their dealings with the Company.

**2. How many stakeholders' 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.**

We uphold and encourage trust of our stakeholders through transparent communication with the Company's position, deeds and performances. Under Section 177(9) of the Companies Act, 2013 and Regulation 22 of SEBI Listing Regulations, Whistle Blower policy has been set for employees where they can update and raise awareness against unethical practices within the organization. We have also established an email-id [investor@prabhat-india.in](mailto:investor@prabhat-india.in) for an effective, punctual and assuring redressal mechanism. To attend investors' concern, we also have a dedicated Stakeholders Relationship Committee chaired by Mr. Vaibhav Parjane, an Independent Director.

During the reporting year, we received 1 investor complaint, which was resolved at the end of the year. Many queries are raised by the shareholders with respect to accounts, sale of business transactions, delisting etc which were resolved by the Company.

**Principle 2 (P2): Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.**

The Company believes that in order to function effectively and profitably, the Company needs to endeavor to improve the quality of life of farmers and to ensure this, the Company is required to thoroughly work upon all stages of the product life cycle, right from design to final disposal of the goods after use. The Company supports the development of goods which are environmentally sustainable. As part of the vision, the Company aspires to develop products which consume fewer resources (energy, water), emit fewer greenhouse gases and include recyclable, renewable, and/or natural materials to the maximum possible extent, through extensive research. The Company aims to bring in supreme quality of

animal feed, world class farming practices and techniques to Indian farmers and to offer end-to-end solutions for issues faced by them, thereby enabling them to enhance their financial gains. The Company works with close to 10,000 Indian farmers to develop the high quality breed to bridge the demand and supply of milk. Innovation is a key driver of our strategy. The Company is constantly engaged in experimentation and looks for research-based solutions to improve cattle feed, health of animals, farm productivity and thereby, the profitability of farmers.

The Company stays committed to making environmental sustainability a key part of its manufacturing processes. At the Company's units, there is a relentless focus on productivity and environmental sustainability. To strengthen this approach, the Company has invested in a robust technology solution that has revolutionized the speed and accuracy of data monitoring and work towards achieving the targets. The Company is continuously working on energy efficiency and trying to get the best possible technology available in the market. The Company is moving from low efficient to high efficient utility. Technologies implemented by the Company are not only energy efficient but also more reliable.

This has helped the Company to reduce down time, enhance productivity and build a more sustainable business. The Company recognizes the fact that overconsumption results in unsustainable exploitation of the planet's resources, and therefore, it is necessary to promote sustainable consumption of resources, including recycling of resources. The Company endeavors to raise consumer awareness through appropriate labelling and helpful marketing communication. While being vigilant about protection of the Company's own intellectual property, the Company respects the rights of other owners of intellectual property rights in the society at large.

**Principle 3 (P3): Businesses should promote the wellbeing of all employees**

The Company has amicable employee relations at all locations and would like to place on record its sincere appreciation for the unstinted support it continues to receive from all its employees. The Company constantly makes concerted efforts towards creating learning and development opportunities on a non-discriminatory basis, that continually enhance the employee value in line with the organizational objectives. Also, the safety and health of employees is important to the Company and the Company is committed to building and maintaining a safe and healthy workplace. All employees who join the Company demonstrate their commitment to follow the Code of Conduct by signing in their acceptance to adhere to the same. The Company values diversity and is committed to offering equal opportunities in employment. The Company



does not discriminate against any team member or applicant for employment on the basis of nationality, race, colour, religion, caste, creed, gender, gender identity / expression, sexual orientation, disability, age, or marital status and always allows for equal opportunities for all team members. The Company is committed to creating and maintaining an atmosphere in which all employees can work together, without fear of sexual harassment, exploitation or intimidation. The details of the Company's workforce as on March 31, 2020, are given in the table below: -

Total number of employees	56
Total number of employees hired on temporary/ contractual/casual basis.	NO
Number of permanent women employees	7
Number of permanent employees with disability	0
Whether the Company has an employee association that is recognized by management	NO
Percentage of permanent employees of the Company who are members of recognized employee association/s	NO
Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment and discriminatory employment in the Financial Year 2019-20 and pending, as on the end of the said Financial Year, i.e., March 31, 2020	0
Percentage of employees who were given safety and skill upgradation training during the Financial Year 2019-20	100%

**Principle 4 (P4): Businesses should respect the interests of, and be responsive to the needs of all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.**

At Prabhat, we firmly believe that a stakeholder could be just about any person/organisation that could affect or can be affected by our operations. Being part of the society, it is crucial to have ongoing dialogues with our stakeholders.

**Has the company mapped its internal and external stakeholders?**

We primarily differentiate our stakeholders into four groups with whom we engage in discussions on different issues in various dialogue formats on a regular basis

Partners	Financial markets and Participants	Social interest groups	Regulators
Customers, Suppliers, Employees, Associations	Investors, Bank, Rating agencies	General Public, NGOs, Local Communities, Competitors	Lawmakers, Politicians, Authorities,

**Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?**

Yes, we have acknowledged the underdeveloped, vulnerable and marginalised stakeholders. We conduct awareness camps, training sessions and safety meetings, to connect and address their concerns as well as get their feedback. We have identified them as:

- Women
- Handicapped/Specially abled people
- Farmers from marginalised background

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.

Principle 8 in this report briefs up the various activities and initiatives taken to address the concerns of our vulnerable and marginalised stakeholders identified above.

**Principle 5 (P5): Businesses should respect and promote human rights.**

1. **Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**
2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

The Company strongly believes in the principle of respect for human rights of all, which imbues its spirit from the Constitution of India. The Company respects human rights and treat people with dignity and respect in the course of conduct of its business. Further, the Company's Code of Conduct covers aspects like diversity, anti-discrimination, equal opportunity, compliance with the law and integrity which all contribute to respecting and promoting human rights. The Company also has policies like Whistle Blower Policy, Policy on Prevention of Sexual Harassment at Workplace, which encourage respect and promotion of human rights. Any violation of the Code of Conduct or the aforesaid policies can result in stern disciplinary

action including termination of employment and / or other appropriate actions as permissible under the law. The Company encourages its business partners to respect human rights. No complaints pertaining to violation of human rights were received by the Company during the Financial Year 2019-20.

**Principle 6 (P6): Business should respect, protect, and make efforts to restore the environment.**

Protecting our environment is our highest priority for which our mode of function is designed to have minimalistic impact on environment and develop product solutions that shall benefit the environment. The company may undertake such other initiatives in near future.

**Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others?**

Our policy not only covers our Company but also extends to other third-party bodies. Our products are not only supplied to our customers, but also to our suppliers and contractors as they also play a major role in product development. Their involvement in developing environment-friendly practices and products to deliver sustainable outcome to customers is highly comprehended. This motivates us to support and secure the life and growth of the most unshielded participant of our system, especially farmers who face such uncertainties.

The topics are elaborated below:

- General Safety, Health and Hygiene practices at site
- Safety rules and regulations
- Do's and Don'ts
- Safety work permits
- Job Safety Analysis
- Emergency communication
- Good Housekeeping
- Environmental protection
- Waste Management

**3. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.?**

Several initiatives are being practiced and few of them have been planned for future.

**4. Does the company identify and assess potential environmental risks?**

Yes, we have been identifying risks and working on resolving them. Some of the risks identified are:

- Resource depletion
- Air pollution
- Solid waste
- Noise pollution
- Land contamination
- Hazardous waste generation
- Soil contamination
- Spillage

After identifying the specific activities that are responsible for these impacts, we develop action plans for their mitigation and look to minimise their effects.

**5. 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?**

We currently do not have any projects related to Clean Development Mechanism.

**6. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc.? Y/N.**

The Company may take initiatives in near future.

**7. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?- Not Applicable**

**8. 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. - Not Applicable**

**Principle 7 (P7): Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.**

**1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:- Not Applicable**



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)- - Not Applicable

**Principle 8 (P8): Businesses should support inclusive growth and equitable development.**

The Company recognizes the fact that corporate growth and equitable development are interdependent and that the Company owes a responsibility to play its role in the social and economic development agenda of the country. The Company strongly believes that it is accountable to the communities while the Company continues to drive shareholder value. This helps the Company to improve the lives of those at the base of the pyramid, preserve and protect the environment, improve efficiency of operations and generate innovations.. It collaborates with non-profit organizations from time to time. The focus of these programmes is to improve the earning potential of farmers by building their skills and empowering them. The Company's direct contribution to community development projects-Amount in INR and the details of the projects undertaken are as follows:

Sr. No.	Enlist the initiatives undertaken by the Company for Supporting Inclusive Development	Amount contributed directly in the initiative by the company (₹ in lakhs)
1.	Cattle Breeding & Development Program	45.30
2.	Veterinary Services (Preventive Healthcare, Extension and Promotion Activities)	2.14

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

The Company encourages more and more farmers to participate in these initiatives of the Company.

**Principle 9 (P9): Businesses should engage with and provide value to their customers and consumers in a responsible manner.**

The Company has a customer-centric approach and greatly values the trust, satisfaction and loyalty of its customers.

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year?  
There are no customer complaints/ consumer cases pending as on 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? Yes
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? No
4. Did your company carry out any consumer survey/ consumer satisfaction trends? No