

ANNEXURE B

BUSINESS RESPONSIBILITY REPORT

[See Regulation 34(2)(f)]

The philosophy of the Company is to conduct its business in a manner befitting a corporate citizen. Adherence to the unexceptionable principles enunciated should be a way of life rather than enforceable by statutory provisions or filling up the formats for Business Responsibility Reporting.

SEBI Circular No. CIR/CFD/CMD/10/2015 dated November 4, 2015 which refers to the National Voluntary Guidelines (NVG) issued by the Ministry of Corporate Affairs. However, the NVG has been revised and replaced by the MCA by the Guidelines on Responsible Business Conduct (NGRBC). This Report conforms to the Business Responsibility Reporting (BRR) requirement of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and the NGRBC. The NGRBC are designed to be used by all businesses, irrespective of their ownership, size, sector, structure or location.

The format contained in National Guidelines on Responsible Business Conduct issued by the MCA and the SEBI Circular dated 4th November 2015 being suggested and not mandatory. The company has devised its format for preparing this Report, taking the essential features of both the formats, and eliminating information which is already contained in other parts of the Directors' Report,

The company believes that this fulfils the requirement of Regulation 34(2) (f) of the SEBI (LODR) Regulations 2015 and the NGBRC. The Company will adopt any format that may be prescribed by the Statute or Regulation (as distinct from suggested or recommended) that may be pointed to it.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1	Name of the Company:	NCL Industries Limited
2	Year of Registration	1979
3	Corporate Identity Number (CIN) of the Company	L33130TG1979PLC002521
4	Corporate address, telephone, email and website	NCL Industries Ltd 7 th Floor, NCL Pearl, S D Road, Secunderabad-500026 Telephone: 040-30120000 Email: ncl@nclind.com Website: www.nclind.com
5	Sector(s) that the Company is engaged in (industrial activity code-wise)	Cement: Code 23942 Cement Bonded Particle Boards: Code: 23956 Ready Mix Concrete: Code 23952 Hydro Electricity: Code 35101 Readymade Doors: Code 43301
6	Goods manufactured/services provided (top three by revenue):	Cement Cement Bonded Particle Boards, Ready Mix Concrete
7	Brands (top five by respective share of market) owned and percentage of revenue contributed:	Nagarjuna (Cement), Bison Panel (Cement Bonded Particle Board) Nagarjuna RMC (Ready Mix Concrete) NCL Door (Readymade Doors)
8	Location of plants (in case of manufacturing businesses) a. National (Districts and states – top five by employee strength): b. International (Country – top three by employee strength):	a. Suryapet Dist.(Telangana), Krishna & Visakhapatnam(Andhra Pradesh), Batanwali Village, Paonta sahib (Himachal Pradesh) (Full details given in Page No. 65 under the Head "Plant Locations") b. Not Applicable

9	Location of major offices (in case of service businesses)	Not Applicable
10	Number of permanent employees:	922
11	Contractual employees (seasonal, non-seasonal, Temporary):	949
12	Temporary employees	Included in above
13	Percentage of women: a. On the Governance Structure: b. In top management, i.e. business and function heads;	6.67
14	Names of subsidiary / associate companies	NCL Guangzheng Structures Ltd Tem Distilleries(P)Ltd
15	Details of Trust/Society/Section 8 company to further its CSR agenda a. Names; b. Organization form (Trust, Society, Company) and year of establishment; c. Main objects/purpose; d. Amounts and sources of funds received in the reporting year	Not Applicable
16	Contact details of Nodal Officer for this report)	Not designated as yet. Will do so if required by any Regulation

SECTION B: MANAGEMENT POLICIES AND DISCLOSURES

The principles enunciated in the NGRBC are given in Column 2 below. Adherence or otherwise to the principles are indicated in Column 3. The policies of the Company framed which uphold the principles are in Column 4.

No.	Narration of the Principle	Y/N	Policy which upholds the principle
P1	Businesses should conduct and govern themselves with integrity, and in a manner ethical, transparent and accountable.	Y	Code of Ethics Code of Fair Disclosures Whistle Blower Policy Related Party Transaction Policy
P2	Businesses should provide goods and services in a manner that is sustainable and safe	Y	There is no explicitly spelt out policy. But adherence to quality and safety standards is part of DNA of the company
P3	Businesses should respect and promote the well-being of all employees, including those in their value chains.	Y	HR Policy (in house) and practices which promotes and encourages skill development on a continuous basis. Welfare measures like providing free / subsidised education and healthcare at plant site. Remuneration Policy which aims to make the compensation package comparable to the best in the industry,
P4	Businesses should respect the interests of, and be responsive to all its stakeholders	Y	Whistleblower Policy Related Party Transaction Policy, Dividend Distribution Policy, Code of Ethics, Stakeholder Relationship Committee overseas prompt attention and action on Investor Grievances.
P5	Businesses should respect and promote human rights.	Y	The personnel policies (in-house) and the practices actively uphold and encourage valuing human rights and treating all human beings with dignity and respect.
P6	Businesses should respect and make efforts to protect and restore the environment	Y	The company strictly adheres to all the norms and prescriptions of the environment laws. It also engages in its quest for better and more efficient emission controls.



P7	Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent	Y	The Company has not taken any major initiative in influencing public and regulatory policy.
P8	Businesses should promote inclusive growth and equitable development.	Y	The CSR efforts, guided by the CSR Policy are aimed at contributing to inclusive growth of the community in which the company operates.
P9	Businesses should engage with and provide value to their customers in a responsible manner.	Y	The company recognises that responsible behaviour with customers is vital for survival and growth of the company. This is a standard practice

SECTION C: FINANCIAL DETAILS

The details required in the SEBI format for BRR are already available in the Financial Statements and the Report on CSR Activities.

SECTION D: OTHER DETAILS

1	Does the Company have any Subsidiary Company/ Companies?	Two Subsidiary Companies-1.NCL Guangzheng Structures Ltd. Yet to commence operations.2. Tern Distilleries (P) Ltd (TDPL) which is acquired from a wholly owned subsidiary of United Spirits Ltd, (USL) Bangalore and became 100% Subsidiary of NCL.
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)	Not yet, since operations are yet to commence.
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 has not made any enquiry or efforts in this respect.

SECTION E: BR INFORMATION

1	Details of Director/ Directors responsible for BR	The Company has not specifically made any single Director responsible, since it believes that all the Executive and Non Executive Directors are responsible for the BR
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2. Principle-wise (as per NVGs) BR Policy / policies

The National Guidelines on Responsible Business Conduct (NGRBC), which replaced the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released 9 principles by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility (BR). The brief particulars of BR are as under:

Principle 1: Businesses should conduct and govern themselves with ethics, Transparency and Accountability

Principle 2: Businesses should provide Products and services that are safe and contribute to sustainability throughout their life cycle

Principle 3: Businesses should promote the well-being of all employees

Principle 4: Businesses should respect the interests of and be responsive towards all Stakeholders.

Principle 5: Businesses should respect and promote Human Rights

Principle 6: Businesses should respect, protect and make efforts to restore the Environment

Principle 7: Businesses, when engaged in influencing Public and regulatory policy should do so in a responsible manner

Principle 8: Businesses should support Growth and equitable development

Principle 9: Businesses should engage with and provide value to their Value to customers and consumers

The nine principles enunciated in the NGRBC have been included in this Report

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

No.	Questions	P1 P7	P2 P8	P3 P9	P4	P5	P6
1	Do you have a policy / policy for BR	The company has the following policies in place in which we believe conform to the principles listed in Section A 1.Code of Business Conduct and Ethics 2. Whistle Blower 3. Related Party Transactions 4. Corporate Social Responsibility 5. Dividend Distribution 6. Code of fair disclosures on UPSI information 7. Insider Trading Code					
2	Has the policy being formulated in consultation with the relevant stakeholders?	Wherever possible and found desirable, this has been done.					
3	Does the policy conform to any national / international standards?	This aspect has not been examined by the company. Most policies have been framed on the basis of what the Board and senior management thought fit to adopt.					
4	Has the policy been approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	The policies listed in Item 1to5 have been approved by the Board. The other policies and procedures are formulated in house by the management depending on the needs of the organization.					
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	No. The Audit Committee generally oversees the policies. The CSR Committee oversees the CSR activities.					
6	Indicate the link for the policy to be viewed online?	www.nclind.com, under the head "INVESTORS"					
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	The details have been displayed in the Company's website. Wherever the company felt desirable that a particular set of stakeholders should be informed, it has been communicated to them.					
8	Does the company have in-house structure to implement the policy/ policies.	No formal structure.					
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	No formal mechanism exists. However, no grievance received is left unattended.					
10	Has the company carried out independent evaluation of the working of this policy by an internal or external agency?	No					

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.	No such formal frequency is designed. However, the Board or Committee reviews the policies whenever warranted or prescribed by the Statute.
(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	No

SECTION F: PRINCIPLE-WISE PERFORMANCE

The Company had neither the occasion nor necessity to evaluate the principle-wise performance since the principles are general in nature, and form a part of the DNA of the Company. Whenever any violation of these principles is brought to the notice of the company, the matter is investigated and corrective action taken.

