

BUSINESS RESPONSIBILITY REPORT

[As per Regulation 34(2) (f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

Section A: General Information about the Company

1	Corporate Identity Number (CIN) of the Company	L24219TG1986PLC016607
2	Name of the Company	NACL Industries Limited
3	Registered address	Plot No.12-A, "C" - Block, Lakshmi Towers, No.8-2-248/1/7/78, Nagarjuna Hills, Panjagutta Hyderabad TG 500082 India
4	Website	www.naclind.com
5	e-mail id	cs-nacl@naclind.com
6	Financial Year reported	2019-20
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	Agri Inputs, National Industrial Classification (NIC) Code: 20211
8	List three key products/services that the Company manufactures/provides (as in balance sheet)	The Company principally manufactures Agri Inputs, comprising Pesticides, Fungicides, Insecticides, Herbicides, Plant Growth Regulators & Nematicides and crop protection products.
9	Total number of locations where business activity is undertaken by the Company Number of International Locations (Provide details of major 5) Number of National Locations	One (Australia) through its Wholly Owned Subsidiary (WOS) Company. The Company's manufacturing operations are situated at 3 locations, viz. Arinama Akkivalasa, Etcherla Mandal, Srikakulam in AP; Ethakota, Ravulapalem, East Godavari Dist. in AP; Nandigaon Village, Shadnagar, Kothur Mandal, Mahaboobnagar Dist. in Telangana and 47 depots in India
10	Markets served by the Company – Local/ State/ National/ International/	The Company's products are marketed across India and in various other countries.

Section B: Financial Details of the Company

1	Paid up Capital (INR)	₹ 19,26,05,261/-
2	Total Turnover (INR)	₹ 1,01,489 lakhs
3	Total profit after taxes (INR)	₹ 1,577 lakhs
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	The Company's total CSR spending is ₹ 32 lakhs for FY 2019-20, which is 2% of the average net profit of the Company for the last three financial years.
5	List of activities in which expenditure in 4 above has been incurred.	Rural Development: Water supply to villages and other village community development activities. Health care and Sanitation: RO plant maintenance, Bore well maintenance and drinking water and sanitation facilities to school Education programmes i.e., Village school renovation work, Salaries to Vidya volunteers, scholarships to merit students.

Section C: Other Details

1	Does the Company have any Subsidiary Company/ Companies?	Yes, the Company has two WOS as on 31 st March, 2020, of which, one is an Indian subsidiary and the other is a foreign subsidiary.
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)	Operations of subsidiaries are not at a scale that can support CSR activities.
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%]	Yes, all Suppliers/Vendors which cater to the needs of NACL in terms of goods and services as well as our Affiliates/Trade Partners globally adhere to the mutually agreed terms of supply.

Section D: BR Information

1	Details of Director/ Directors responsible for BR	
	(a) Details of the Director/ Directors responsible for implementation of the BR policy/policies	
	DIN Number	01514557
	Name	Mr.M.Pavan Kumar
	Designation	Managing Director and CEO
	(b) Details of the BR head	
	DIN Number (if applicable)	-
	Name	Mr. S. Mani Prasad
	Designation	Head- Corporate HPD
	Telephone number	040-24405100
	e-mail id	cs-nacl@naclind.com

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

- Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability
- Principle 2: Businesses should provide goods 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, especially those who are disadvantaged, vulnerable and marginalized
- Principle 5: Businesses should respect and promote human rights
- Principle 6: Business should respect, protect and make efforts to restore the environment
- Principle 7: Business, when engaged in influencing public and regulatory policy, should do so in a responsible manner
- Principle 8: Businesses should support inclusive growth and equitable development
- Principle 9: 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	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for BR	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Yes								
3	Does the policy conform to any national / international standards?	The Policies confirm to the Principles of NVG's for BR. The quality management systems are in line with different applicable ISO standards such as ISO 9001: 2015, ISO 14001: 2015 and ISO 45001: 2018.								
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
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?	The policies are available in investors section at https://www.naclind.com								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
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 evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: **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, the Company publishes BR Report as a part of its Annual Report, which is being uploaded on the Company's website: www.naclind.com

Section E: Principle-Wise Performance

Principle 1	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.	No
2	Does it extend to the Group/Joint Ventures/Suppliers/ Contractors/NGOs/Others?	The Policy covers not only the Company but also its Associates.
3	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?	No stakeholder complaints were received in FY 2019-20.

Principle 2		Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
1	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.	By design, any product developed in the company there is exhaustive process to ensure that there will not be any major effects on either environment or stakeholders by doing HAZOP at various levels and all risk mitigation measures are taken. The study is done till the products are used by the farmer and for its life cycle. Some of the major products which can demonstrate are Profenofos, Propiconazole and Tricyclozole.
2	For each such product, provide the following details in respect of resource use (energy, water, raw material etc.):	The Company is actively working on its products to reduce overall impacts through Continual improvement. The details of the aforesaid three products are provided in the website https://www.nacilind.com
3	Does the company have procedures in place for sustainable sourcing (including transportation)?	Yes
4	Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?	Yes
5	Does the company have a mechanism to recycle products and waste?	Yes, Zero Liquid Discharge (ZLD) treatment process is implemented to remove all the liquid waste from a system. The focus of ZLD is to reduce wastewater economically and produce clean water that is suitable for reuse

Principle 3		Businesses should promote the well-being of all employees.
1	Total number of permanent employees as on 31.03.2020.	1214 permanent employees as on 31.03.2020.
2	Total number of employees hired on temporary/ contractual/ casual basis.	904 number of employees hired on temporary/ contractual/ casual basis
3	Number of permanent women employees.	12 Number of permanent women employees
4	Number of permanent employees with disabilities	02 Number permanent employees with disabilities
5	Employee association	Three Associations. Details are given below: Nagarjuna Workers Union Nagarjuna Agrichem Staff and Workers Union Nagarjuna Employees and Contract Workers Union
6	What percentage of your permanent employees is members of this recognized employee association?	42.67%
7	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.	Child Labour/forced Labour/involuntary Labour: No complaints as on 31 st March, 2020. (ii) Sexual harassment: No complaint is pending as on 31 st March, 2020. (iii) Discriminatory employment: No complaints as on 31 st March, 2020.
8	Brief details of training Programme held for employees with respect to safety & skill up-gradation training in the last year	The Company has provided 3194 hours of safety training to all employees as on 31 st March, 2020.

Principle 4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.
1 Has the company mapped its internal and external stakeholders? Yes/No	Yes, the Company has mapped its stakeholders as part of its stakeholder engagement process
2 Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?	Yes, the Company has identified the communities which are disadvantaged, vulnerable and require focused intervention.
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.	Yes. The Company has taken various initiatives to engage disadvantaged, vulnerable and marginalized stakeholders by way of CSR and Social Activities.
Principle 5	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?	The Company remains committed to respect and protect human rights. The Company's Code of Conduct & Ethics and the human resources practices cover most of these aspects. The Company does not hire child labour, forced labour or involuntary labour. The company never discriminates between its employees.
2 How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	No complaint received during the reporting period.
Principle 6	Businesses should respect, protect and make efforts to restore the environment
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 Quality, Environment, Health and Safety ('QEHS') Policy focusses on commitment to International Standards of our products and services through continual improvement in all four Areas. This policy is applicable to our employees as well as Contractors.
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.	Yes, please refer our "Sustainability" section of our website: www.naclind.com
3 Does the company identify and assess potential environmental risks? Y/N	Yes, the Company makes all efforts to identify the environmental aspects and manage the same along with its impact and continually improve its environmental performance, driven by its QEHS Policy. All the manufacturing plants of the Company are certified to ISO-14001: 2015 Environmental Management Systems ('EMS') standard under Integrated Management System (IMS).
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?	Presently, the Company has project related to Clean Development Mechanism.
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.	No
6 Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?	Yes, all manufacturing plants comply with the prescribed permissible limits for air emissions, effluent quality and discharge, solid and hazardous waste generation and disposal as per their Regulatory consents/authorizations.
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.	As on 31 st March, 2020, there were no pending show cause or legal notices received from CPCB or SPCB, to the best of the Company's knowledge and understanding.

Principle 7		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:	Yes The Company is a part of the following associations: 1) Crop Care Federation of India (CCFI) 2) Pesticides Manufacturers & Formulators Association of India (PMFAI) 3) Confederation of Indian Industry (CII) 4) Federation of Indian Chambers of Commerce & Industry (FICCI) 5) Federation of Telangana Chamber of Commerce & Industry(FATCCI)
2	Have you advocated/ lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas	Yes, from time to time, the Company takes up issues through the associations on matters of public interest
Principle 8		Businesses should support inclusive growth and equitable development.
1	Does the company have specified programmes/ initiatives/ projects in pursuit of the policy related to Principle 8?	The Company is committed to improve quality of lives of people in the community it serves through long-term stakeholder value creation, with special focus on empowerment of communities in rural India.
2	Are the programmes/ projects undertaken through in-house team/ own foundation/ external NGO/ government structures/ any other organization?	Yes, the Company through in-house team, supports various CSR initiatives in a project/programme mode.
3	Have you done any impact assessment of your initiative?	The in-house team is reviewing the impact of various CSR/ Social initiatives on the society from time to time.
4	What is your company's direct contribution to community development projects?	Besides the Company's direct contribution for various Social activities, it has also spent ₹ 32 lakhs, which is 2% of the average net profit of the Company for the last three financial years. The key CSR projects are already mentioned above.
5	Have you taken steps to ensure that this community development initiative is successfully adopted by the community?	Yes

Principle 9	Businesses should engage with and provide value to their customers and consumers in a responsible manner
1 What percentage of customer complaints/consumer cases are pending as on the end of financial year.	There are no product and packaging related customer complaints as received during the year. However there are nine consumer cases pending at different District Consumer Forums.
2 Does the company display product information on the product label, over and above what is mandated as per local laws?	The Company displays what is required as per regulatory requirements and has complied with the requirements of the Insecticides Act, 1968; Insecticide Rules, 1971, The Legal Metrology Act, 2009 and Legal Metrology (Packaged Commodities) Rules, 2011 on respective product labels.
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.	In the last few years, no case has been filed against the Company, and there is No pending case as on the end of the financial year, regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior.
4 Did your company carry out any consumer survey/ consumer satisfaction trends?	Yes. The Company carries out farmers and channel partners satisfaction survey on an ongoing basis.

Place: Hyderabad
Date: 26th August, 2020

For and on behalf of the Board

M.Pavan Kumar
Managing Director & CEO
(DIN:01514557)

Raghavender Mateti
Director
(DIN:06826653)