



## BUSINESS RESPONSIBILITY REPORT

### SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) : L93090TN1956GOI003507
2. Name of the Company : Neyveli Lignite Corporation Limited
3. Registered Address : No.135, Periyar E.V.R. High Road, Kilpauk, Chennai - 600 010, Tamil Nadu, India
4. Website : www.nlcindia.com
5. E-mail id : gmms@nlcindia.com
6. Financial Year reported : 2012-13
7. Sector(s) : Mining & Power Generation
8. Key products : Lignite and Power
9. Total number of locations where business activity is undertaken by the Company
  - A. Number of International Locations : None
  - B. Number of National Locations : Mines & Power Plants located in Neyveli and Barsingsar; offices located in Chennai, Hyderabad, Bangalore, Mumbai, Kolkata and New Delhi.
10. Markets served by the Company : Southern India and Rajasthan

### SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up Capital : ₹1,677.71 crore (2012-13)
2. Total Turnover : ₹5,590.07 crore (2012-13)
3. Total PAT : ₹1,459.75 crore (2012-13)
4. Total spending on Corporate Social Responsibility (CSR) as percentage of PAT :

In the previous three financial years, the Company has spent about one per cent of PAT on CSR activities. In 2012-13, the Company has spent 1 per cent of PAT on CSR activities.
5. List of activities in which expenditure in 4 above has been incurred:
  - A. Health and Sanitation Programmes
  - B. Access and Social Infrastructure Development in surrounding villages
  - C. Enhancing Literacy and Education for the community
  - D. Water and irrigation projects
  - E. Disaster Management programmes
  - F. Women empowerment, skill enhancement and entrepreneurship programmes

**SECTION C: OTHER DETAILS**

1. Does the Company have any Subsidiary Company/Companies?  
Yes. The Company has two Subsidiary Companies.  
A. NLC Tamil Nadu Power Limited (NTPL)  
B. Neyveli Uttar Pradesh Power Limited (NUPPL)
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).  
  
Both the Subsidiary Companies adopt the same policies of NLC. In addition NLC has taken BR initiatives in the regions, where its Subsidiaries are operating.
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%].  
  
No.

**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 : 02865335
- Name : Shri. Rakesh Kumar
- Designation : Director (Finance)

- b. Details of the BR head

Sl. No.	Particulars	Details
1.	DIN Number (if applicable)	NA
2.	Name	Shri. V. Rajarao
3.	Designation	General Manager - Management Services
4.	Telephone Number	04142-252364
5.	e-mail id	gmms@nlcindia.com

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

- 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 well being of all employees.
- P4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.
- P5: Businesses should respect and promote human rights.
- P6: Business 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.



Sl. 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	N	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	NA	Y	Y
3.	Does the policy conform to any national/ international standards? If yes, specify? The policies of the Company are based on the Constitution of India/ applicable laws, guidelines and other policies issued by Government of India from time to time, MOU with Transparency International India, ISO 9001, ISO 14001, OHSAS 18001 and UN Global Compact Principles.	Y	Y	Y	Y	Y	Y	NA	Y	Y
4.	Has the policy being approved by the Board? If yes, has it been signed by MD/Owner/CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	NA	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	NA	Y	Y
6.	Indicate the link for the policy to be viewed online?	<a href="http://www.nlcindia.com/investor/brrreport.pdf">http://www.nlcindia.com/investor/brrreport.pdf</a>								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	NA	Y	Y
8.	Does the Company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	NA	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	NA	Y	Y
10.	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	NA	Y	Y

**2a. If answer to Sl. No. 1 against any principle, is 'No', please explain why:**

Sl. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The Company has not understood the Principles	-	-	-	-	-	-	-	-	-
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)	-	-	-	-	-	-	*	-	-

\* NLC does not advocate influencing the public & regulatory policies for its gain, hence no policy is proposed. If required the Company may approach the appropriate authorities through Trade and Industry Chambers and Association and other such collective platforms.

**3. Governance related to BR**

- Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company.

CEO assesses the BR performance of the Company annually.

- 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 publishes Sustainability Report and the same is available in the following link [http://www.nlcindia.com/about/sustainable\\_development.pdf](http://www.nlcindia.com/about/sustainable_development.pdf).

**SECTION E: PRINCIPLE-WISE PERFORMANCE****Principle 1 (P1)**

- Does the policy relating to ethics, bribery and corruption cover only the Company? Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?

The Company has signed a Memorandum of Understanding with Transparency International India for implementation of Integrity Pact Programme. Transparency International India is the Indian chapter of Transparency International, an international civil society organisation based at Berlin that has turned the fight against corruption into a worldwide movement. The MoU with Transparency International India serves as the policy for ethics and business conduct. The Integrity Pact Programme envisages an agreement between the prospective Vendors, Bidders & Contractors and NLC, committing the persons/officials of both parties, not to exercise any influence on any aspect of the contract. Only those Vendors/Bidders/ Contractors, who have entered into such an "Integrity Pact" with NLC are allowed to participate in the bidding for bid greater than ₹1 crore. The Code of Conduct has been prescribed for Senior Management Personnel and Board Level Executives. NLC is also governed by the guidelines issued by Government of India and statutory provisions as per applicable Acts.

- How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?

During the year 2012-13, Vigilance Branch of the Company received 157 complaints and 114 have been disposed of, which works out to 72.6%.

**Principle 2 (P2)**

- List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

- Lignite
- Power

- For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional).

- Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?

**Resources consumption in Lignite mining**

Consumption per unit of production	Unit	Mining Unit	2011-12	2012-13	% change
Energy	Kwh/T of Lignite	Mines	39.88	35.75	(-)10.35

**Resources consumption in Power Generation**

Consumption per unit of production	Unit	Thermal Unit	2011-12	2012-13	% change
Lignite	Kg/Kwh (gross generation)	TPS	1.15	1.12	(-)2.6

Note: TPS = Thermal Power Station

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

Not Applicable.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)?

Yes.

If yes, what percentage of your inputs was sourced sustainably?

100% of lignite requirement for the power generation is sourced sustainably by locating the power station at pithead. The Company is in the process of switching towards star rated equipment, which ensure energy conservation. As per the procurement process, materials are procured from the ISO certified vendors, which ensure quality products.

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 takes following key measures for the development of the small scale industries and communities surrounding their place of work and improve their capabilities:

- Contracts pertaining to Township Administration are being awarded to project affected people.
- Workmen in and around Neyveli are engaged for service sector.
- Products of small scale industries viz., phenol, soaps, chalk pieces etc. are procured from local manufacturers.
- Women self-help group organisations are given opportunities to run canteens in offices.
- NLC buys greeting cards from SNEHA, an organisation for differently abled people.
- Consumables such as vegetables, milk, agriculture products, manure for reclamation and horticulture purposes are procured from local vendors.
- Various self-employment training programmes (including practical trainings) are imparted to the downtrodden surrounding people and their services are utilised.
- Complies with the Public Procurement Policy of the Government.

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.

The Company has taken up several projects for the reclamation mined out land and re-cycling of waste, some of the key projects are as given below:

- The Company's mining operations are preserving valuable top soil of the mined out land, which is re-used for the land reclamation works.
- The Company produces fly ash in its thermal power plants during power generation process. Keeping in mind the environmental concerns in disposal of fly ash, the Company utilises 100% of fly ash generated from thermal power stations for brick, windows, door frames etc., manufacturing or sells it to cement plants as fly-ash is a raw-material for Portland Pozzolana Cement (PPC).



- iii. NLC's plastic recycling plant ensures 100% recycling of waste plastic collected at site.
- iv. In the Township at Neyveli, NLC has constructed modern sewage treatment plant of capacity 30 MLD. The treated effluent and manure from this plant is used for afforestation and agricultural purposes.
- v. The waste storm water generated in the mines is treated and used for total domestic requirement of population in township and partly for industrial and agricultural purposes.
- vi. The waste concrete products are recycled and used for construction works.
- vii. The Company is also exploring possibilities of recovering sand from the bottom ash of the power plants.

### Principle 3 (P3)

1. Please indicate the Total number of employees.  
Total number of employees as on March 31, 2013 is 17,364.
2. Please indicate the Total number of employees hired on temporary/contractual/casual basis.  
The Company does not directly employ temporary/contractual/casual employees. However, works are awarded to external firms who engage contractual manpower for their requirement.
3. Please indicate the Number of permanent women employees.  
Total number of permanent women employees as on March 31, 2013 is 1,298.
4. Please indicate the Number of permanent employees with disabilities.  
Total number of permanent employees with disabilities as on March 31, 2013 is 122.
5. Do you have an employee association that is recognised by management?  
Yes.
6. What percentage of your permanent employees is members of this recognised employee association?  
Approximately 70% of the permanent employees are members of recognised employee associations. This does not include executives and non-unionised supervisors.
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.

Sl. No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1.	Child labour/forced labour/ involuntary labour	NIL	NIL
2.	Sexual harassment	NIL	NIL
3.	Discriminatory employment	NIL	NIL

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?
  - **Permanent Employees** : 17.1%
  - **Permanent Women Employees** : 0.5%
  - **Casual/Temporary/Contractual Employees** : The workers employed by the Contractors are also considered for periodic training and during the last year 33.6% of them were given training.
  - **Employees with Disabilities** : The suitability of all the disabled are assessed, trained and placed depending on their capabilities.



**Principle 4 (P4)**

1. Has the Company mapped its internal and external stakeholders?

The stakeholders have been mapped as under:

- a. Government and regulatory authorities
- b. Customers
- c. Employees
- d. Shareholders
- e. Vendors
- f. Peripheral population
- g. Project Affected Persons (PAPs)
- h. Workers engaged by Contractors

2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalised stakeholders?

Yes, the Company has identified the disadvantaged, vulnerable and marginalised stakeholders with the help of socio-demographic data of the community through base line surveys.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders. If so, provide details thereof.

The Company covers the well-being of disadvantaged, vulnerable and marginalized stakeholders under its Corporate Social Responsibility policy.

**Principle 5 (P5)**

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 Constitution of India, the laws and policies of Government of India on Human Rights is also applicable to the Subsidiary Companies.

2. How many stakeholder complaints have been received in the past financial year and what per cent was satisfactorily resolved by the management?

No stakeholder complaint was received during the year 2012-13 with regard to human rights.

**Principle 6 (P6)**

1. Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others.

The environment policy of the Company covers only the Company and its subsidiaries and is not applicable to the Suppliers/Contractors/NGOs/Others.

2. Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming etc.? If yes, please give hyperlink for webpage etc.

The Company has undertaken several initiatives to address global environmental issues, for instance,

- Reclamation of lands of Mines.
- Development of Eco Tourism Park.
- Sequestration of CO<sub>2</sub> and production of Bio-fuel from flue gas from Thermal Power Plant.
- Recharging of Ground Water.
- Utilisation of fly ash in making Brick/Window and sale of fly ash to cement plants as an input for cement production.
- Mandatory training Programme on Sustainable Development for Students.





- Entering into green energy business.
- Maintaining green belt in Township area.

The details regarding these initiatives is published at [http://www.nlcindia.com/about/sustainable\\_development.pdf](http://www.nlcindia.com/about/sustainable_development.pdf)

3. Does the Company identify and assess potential environmental risks?

NLC firmly believes that its responsibility lies in environment friendly mining and delivering cleaner, more reliable and affordable energy. The Company identifies and assesses potential environmental risks arising from its operations in its mines and thermal power plants.

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof. Also, if yes, whether any environmental compliance report is filed?

The Company is setting up clean energy projects of 10 MW solar power project and 50 MW of windmill project. These projects are at a preliminary stage of implementation.

5. Has the Company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy etc. If yes, please give hyperlink for web page etc.

The Company is in the process of setting up a 50 MW wind power plant and a 10 MW solar power plant.

In 2012-13, the Company completed Residual Life Assessment (RLA) studies of Turbine and replacement of final loop of Re-heater 2 coil in one Unit-II (210MW) of TPS-II towards improved efficiency. The Company also undertook a study on Pollution Source Apportion Study for Neyveli industrial area. Details are available in [http://www.nlcindia.com/about/sustainable\\_development.pdf](http://www.nlcindia.com/about/sustainable_development.pdf).

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

The emission and waste generated by the Company were within the permissible limits given by CPCB/SPCB in the financial year 2012-13.

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.

There are no pending or unresolved show cause/ legal notices received from CPCB/ SPCB as on the end of the FY 2012 -13.

**Principle 7 (P7)**

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 Standing Conference of Public Enterprises (SCOPE) and Confederation of Indian Industry (CII).

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? If yes, specify the broad areas.

No.



**Principle 8 (P8)**

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

The Company follows a CSR policy for social welfare of the society. The Company has specific initiatives in pursuit of inclusive growth and equitable development. The Company has carried out several projects for the development of social infrastructure in the peripheral villages as well as communities at large. Also, the Company has established infrastructural facilities for educational institutes and hospitals in the peripheral villages.

In 2012-13, the Company focused on following projects in pursuit of inclusive growth:

- Health and Sanitation Programmes.
- Access and Social Infrastructure Development in surrounding villages.
- Enhancing Literacy and Education for the community.
- Women empowerment, skill enhancement and entrepreneurship programmes.
- Disaster Management Programmes.
- Water and irrigation projects.

The details of CSR initiatives / activities of the Company have been included in the Directors' Report.

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

The Company has undertaken CSR projects through in-house teams, District Administration and external NGOs.

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

The Company has done impact assessment of its various CSR initiatives. The Company has trained 12,194 persons during 2012-13 through its CSR focused training programmes. Through its health and sanitation programmes, the Company has provided medical consultation to 1,79,972 patients and emergency treatment to 24,600 patients from peripheral area.

The details of CSR initiatives / activities of the Company have been included in the Directors' Report.

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

The Company has spent ₹14.26 crore under various CSR programmes in 2012-13, details of which are shown in below table.

CSR Focus area	Expenditure in 2012-13 (₹ in crore)
Medical health and family welfare	4.76
Drinking water supply	1.75
Education and scholarship	2.45
Community development	0.22
Formation of link road	1.05
Sanitory and other basic amenities	0.46
Construction of school and library	0.62
Others	2.95
<b>Total</b>	<b>14.26</b>



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

The Company has followed participatory approach for all its CSR initiatives. It conducts baseline surveys before commencement of all the CSR projects to understand requirements of the community.

**Principle 9 (P9)**

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

There are no customer complaints and cases pending against the Company as on March 31, 2013.

2. Does the Company display product information on the product label, over and above what is mandated as per local laws?

The law for displaying product information on the product label is not applicable to the Company.

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.

No. None of the stakeholders has filed any case against the Company regarding unfair trade practices, irresponsible advertising and anti-competitive behaviour during last five years.

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

The Company has not carried out any consumer surveys or analysis of customer satisfaction trends.

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