

Annexure 7 to Directors' Report

Business Responsibility Report 2016-17

[Pursuant to regulation 34(2) (f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")]

Introduction:

Finolex Industries Limited (FIL) has adopted a stakeholder centric sustainability framework to strategically drive its sustainability initiatives. The disclosures made in this report provide transparent and relevant information on FIL's efforts and performance against the nine principles of Business Responsibility. Adopting best practices, FIL also makes detailed disclosures on its sustainability initiatives and performance through its Sustainability Report.

Section A: General Information about the Company

1.	Corporate Identity Number (CIN) of the Company	L40108PN1981PLC024153
2.	Name of the Company	FINOLEX INDUSTRIES LIMITED
3.	Registered address	Gat No.399, Village Urse, Taluka Maval, District Pune 410 506 Maharashtra State, India.
4.	Website	www.finolexwater.com
5.	Email id	investors@finolexind.com
6.	Financial year reported	2016-17
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	National Industrial Classification 2008 20131-PVC 22209-PVC Pipes & Fittings
8.	Three key products/services of the Company (as in the balance sheet)	PVC, PVC Pipes & Fittings Power
9(i).	Number of international locations	Nil
9(ii).	Number of National locations	3 manufacturing units in India at Ratnagiri, and Urse in Maharashtra State and Masar in Gujarat State
10.	Markets served by the Company – Local/State/National/International	National: Pan India

Section B: Financial Details of the Company

1.	Paid up capital (₹ Lakh)	12,409.54
2.	Total turnover (₹ Lakh)	3,01,197.51
3.	Total profit after taxes (₹ Lakh)	35,217.95
4.	Total Spending of Corporate Social Responsibility (CSR) as a percentage of profit after tax (%)	Budget : ₹ 419.12 Lakh i.e. 2% (based on average net profits of the last 3 financial years computed as per Section 198 of the Companies Act, 2013). Actual: ₹ 433.68 Lakh
5.	List of CSR activities in which expenditure in above 4 has been incurred	The major areas in which CSR expenditure has been incurred include on: Health Care, Education, Water conservation, Environment and Promotion of rural sports

Section C: Other details

1.	Does the Company have any Subsidiary Company / Companies?	FIL does not have any subsidiary Company.
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 applicable.
3.	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business participating 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 (1) : Business Responsibility Information

1.a.	Director responsible for implementation of BR policies, Director Identification Number (DIN)	01874086
	Director responsible for implementation of BR policies (Name)	Mr.Sanjay.S.Math
	Director responsible for implementation of BR policies (Designation)	Managing Director
1.b.	BR Head (DIN, if applicable)	01874086
	BR Head (Name)	Mr.S.S.Math
	BR Head (Designation)	Managing Director
	BR Head (Telephone number)	+91-2352-238027-30
	BR Head (email id)	investors@finolexind.com

Section D (2) (a) : BR Information - Principle-wise (as per NVGs) BR Policy/Policies (Yes/No)

#

P1	Policy on Ethics, Transparency and Accountability
P2	Policy for providing goods and services that are safe, and contribute to sustainability throughout their life cycle
P3	HR Policies for promoting the wellbeing of all employees
P4	Protection of all stakeholders
P5	Respect and Promotion of Human Rights
P6	Safety Health and Environment Policy
P8	Policy on Corporate Social Responsibility
P9	Provide value to the customers and consumers in a responsible manner

		P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have policy/policies for....#	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3.	Does the policy conform to any national /international standards? If yes, specify?	Yes	Yes Bureau of Indian standards (BIS)	Yes	Yes This policy conforms to guidelines of Companies Act, 2013	Yes	Yes	Yes	Yes	Yes

		P1	P2	P3	P4	P5	P6	P7	P8	P9
4.	Has the policy being approved by the Board? If yes, has it been signed by MD/owner/CEO/ Appropriate Board Director?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
5.	Does the company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
6.	Indicate the link for the policy to be viewed online?	<p>The following policies are available on FIL's website. www.finolexwater.com</p> <ul style="list-style-type: none"> • Policy on Sexual Harassment of Women at the Workplace • Whistle Blower Policy. • Corporate Social Responsibility Policy. • Nomination and Remuneration Policy. • Related Party Transactions Policy. • Policy on Board Diversity. • Policy on Material Subsidiaries. • Policy for determining materiality disclosures • Policy for preservation of documents • Code of Fair Disclosure and Conduct • Code of Conduct for Directors and Senior Management • Safety, Health and Environment Policy <p>The remaining policies being internal documents are only available to the respective stakeholders</p>								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
8.	Does the Company have an in-house structure to implement the policy/policies?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	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	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

		P1	P2	P3	P4	P5	P6	P7	P8	P9
10.	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	The Department Heads are responsible for the effective implementation of the policies. The Compliance/Legal Department monitors the adherence to implementation of the policies.								

Section D 2 (b): If the answer to the question at serial number 1 against any principle is 'No', please explain why : (Tick up to 2 options)

		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 the specified principles	-	-	-	-	-	-	-	-	-
3.	The Company does not have the financial/ manpower resources available for the task	-	-	-	-	-	-	-	-	-
4.	It is planned to be done within the next 6 months	-	-	-	-	-	-	-	-	-
5.	It is planned to be done within the next 1 year. .	-	-	-	-	-	-	-	-	-
6.	Other reasons (Please specify)	-	-	-	-	-	-	-	-	-

Principle-wise Index

Section D (3): Governance related to Business Responsibility (BR)

3.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	BR updation and upgradation is a continuous process. The management reviews and monitors the performance of the BR. The Board of Directors reviews the BR once a year.
3.b.	Does the Company publish a BR or a Sustainability Report? Is there a hyperlink to view the report? How frequently is it published?	BR Report Frequency: Annual www.finolexwater.com/investors/compliance-report/

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle No.	Description	Reported
1.1	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?	Yes.
1.2	How many stakeholder complaints have been received in the past financial year and what percentage were satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.	The Company received complaints from 17 investors during the year 2016-17. There were no complaints pending from the investors at the beginning of the year 2016-17. All 17 complaints received during the year were redressed satisfactorily.
2.1	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities. (A) PVC (B) PVC Pipes and Fittings (C) Power	The Company is constantly taking efforts to achieve high standards towards the environment and social concerns. The manufacturing process and end use of the products are environmental friendly and comply with applicable environment norms.
2.2	For each product, provide the following details in respect of resource used (energy, water, raw material etc.) per unit of product(optional): Reduction during sourcing/ production/ distribution achieved since the previous year throughout the value chain? Has reduction during usage by consumers (energy, water) been achieved since the previous year?	The production processes of the Company are cost effective and use the scarce resources economically
2.3	Does the company have procedures in place for sustainable sourcing (including transportation)? (a) If yes, what percentage of your inputs were sourced sustainably? Also, provide details thereof, in about 50 words or so.	Yes. The PVC production of the Company is mainly captively consumed . The Company has taken various steps to minimize transportation costs. The Company continuously exercises and practices the recycling and reusing of waste.
2.4	Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? (a) If yes, what steps have been taken to improve the capacity and capability of local and small vendors?	Yes. The Company has a policy of procuring goods and services from nearby suitable sources of supply. The Company ensures that it engages local villagers and small businesses around its plants in a variety of productive employment, especially through hiring vehicles, handling material, housekeeping and waste-handling contracts.

Principle No.	Description	Reported
4.1	Has the company mapped its internal and external stakeholders? Yes/No	Yes
4.2	Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.	All the stakeholders are important to the Company. It has internal processes to balance their expectations.
4.3	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 undertaken various projects in the following areas: drives to eradicate hunger, poverty and malnutrition, promoting preventive health care and sanitation and making safe drinking water available, promoting education, including vocational skills so that women can be better equipped to work towards being financially independent.
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?	All aspects of human rights are included in the Company's policy. The Company encourages the sharing of process and product innovations and extending it to benefit the industry and key members of its value chain.
5.2	How many stakeholder complaints have been received in the past financial year and what percent were satisfactorily resolved by the management?	The Company received complaints from 17 investors during the year 2016-17. There were no complaints from the of investors at the beginning of the year 2016-17. All 17 complaints received during the year were redressed satisfactorily.
6.1	Does the policy related to Principle 6 cover only the company or does it extend to the Group/ Joint Ventures/Suppliers/Contractors/ NGOs/others.	The Company's environment, health and safety (EHS) policy covers the entire Company.
6.2	Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give a hyperlink for the webpage etc.	Yes. The Company is compliant with applicable pollution norms.
6.3	Does the company identify and assess potential environmental risks? Y/N	Yes
6.4	Does the company have any project related to the Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?	The Company strives to minimize the impact of its operations and ensures in uses natural resources in a responsible manner. Furthermore, the Company is committed to preserving the environment.
6.5	Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give a hyperlink for the web page etc.	The Company is committed to preserving the environment.
6.6	Are the emissions/waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?	Yes. The return/ reports are submitted to the authorities from time to time.

Principle No.	Description	Reported
6.7	Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on the end of the Financial Year.	None
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 a member of the following chambers: Maharatta Chamber of Commerce, Industries and Agriculture Indo-American Chamber of Commerce Indo-German Chamber of Commerce Indian Merchants' Chamber Federation of Indian Chamber of Commerce and Industry.
7.2	Have you advocated/lobbied through the above associations for the advancement or improvement of the public ? Yes/No; if yes, specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy Security, Water, Food Security, Sustainable Business Principles, Others)	No.
8.1	Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes, give details thereof.	The Company has undertaken various projects in the following areas: drives to eradicate hunger, poverty and malnutrition, promoting preventive health care and sanitation and making safe drinking water available, promoting education, including vocational skills so that women can be better equipped to work towards being financially independent.
8.2	Are the programmes/projects undertaken through an in-house team/own foundation/external NGO/ Government structures/any other organization?	The various programmes/projects are undertaken by the Company in association with it's CSR partner Mukul Madhav Foundation
8.3	Have you done any impact assessment of your initiative?	The Company has the practice of reviewing its CSR initiatives through an internal arrangement and guidance of the CSR committee and its CSR partner Mukul Madhav Foundation.
8.4	What is your company's direct contribution to community development projects- Amount in ₹ and the details of the projects undertaken.	During the financial year 2016-17 the Company has spent ₹ 433.68 lakh mainly in the areas of Health Care, Education, Water conservation, Environment and Promotion of rural sports

Principle No.	Description	Reported
8.5	Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.	Yes, The Company continues to support initiatives to provide medical care needs necessary for children and villagers. Multiple interactions are held with communities through village meetings, meetings with local administration and officials from the respective departments to understand the primary necessities. The Company encourages regular feedback from the beneficiaries to continuously improve facilities and specialized services in locations where there is a demand.
9.1	What percentage of customer complaints/consumer cases are pending as on the end of financial year.	No major complaints/cases are pending at the end of the financial year.
9.2	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. All mandatory information as per local laws are displayed on the product along with additional information on the usage of the product.
9.3	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 the end of the financial year. If so, provide details thereof, in about 50 words or so.	N/A
9.4	Did your Company carry out any consumer survey/consumer satisfaction trends?	Yes, The customer satisfaction survey is carried out by the Company from time to time.