

Business Responsibility Report

Our Value Building Journey:

The concept of sustainability is incorporated into the core of our business and has been expanded to encompass our aspirations and responsibilities to the society and to the environment. The Company endeavors to drive sustainability through initiatives across the units of operation and community because its a journey without milestones.

Section A

General Information about The Company

Sr. No.	Questions	Company Information
1.	Corporate Identity Number(CIN) of the Company	L74999MH1995PLC085878
2.	Name of the Company	Solar Industries India Limited
3.	Registered address	11, Zade Layout, Bharat Nagar, Nagpur-440033
4.	Website	www.solargroup.com
5.	E-mail id	brr@solargroup.com
6.	Financial Year reported	April 01, 2017 to March 31, 2018.
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	Manufacturing of Industrial Explosives and Initiating Systems (20292)
8.	List three key products/ services that the Company manufactures/ provides (as in balance sheet)	<ul style="list-style-type: none"> • Industrial Explosives (Bulk + Large & Small Dia. Explosives) • Detonating Fuse • Electric and Non-Electric Detonators Please refer to company's website (www.solargroup.com) for complete details of the products.
9.	Total number of locations where business activity is undertaken by the Company	<p>i) International Locations : Solar through its subsidiaries has operations in Zambia, Nigeria, Turkey and South Africa.</p> <p>ii) National Locations : Solar's domestic manufacturing units are located in the 8 states viz. Maharashtra, Chhattisgarh, Madhya Pradesh, Jharkhand, Odisha, Telangana, Rajasthan and West Bengal.</p>
10.	Markets served by the Company	Solar's products have a national presence and several products are exported.

Section B

Financial Details of The Company

Sr. No.	Questions	Company Information
1.	Paid up Capital (₹) As on 31.03.2018	90490055 Equity shares of ₹2 each amounting ₹180980110/-
2.	Turnover (₹)	1305.35 Crores
3.	Total profit after taxes (₹)	134.26 Crores
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax	The Company's total spending for the FY 2017-18 is ₹3.51 Crores which is 2.61 % of Profit after tax.
5.	Activities in which in point 4 above has been incurred	<ul style="list-style-type: none"> • Education • Health Care • Rural Development • Environment • Public Welfare

Section C

Other Details

i. Does the Company have any Subsidiary Company/ Companies?

Yes.

ii. **Do the Subsidiary Company/ Companies participate in the Business Responsibility (BR) Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s):**

Yes. One of its subsidiary company Economic Explosives Limited participates in BR initiatives along with Solar Industries India Limited.

iii. **Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the Business Responsibility (BR) initiatives of the Company?**

The Company does not mandate its suppliers/distributors to participate in the Company's BR initiatives. However, they are encouraged to adopt such practices and follow the concept of being a responsible business.

Section D

BR Information

i. **Details of Director/Directors responsible for BR:**

a) Details of the Director/Directors responsible for implementation of the BR policy/policies:

1	DIN	00164388
2	Name	Shri Manish Nuwal
3	Designation	Managing Director and Chief Executive Officer

b) Details of the BR head:

Sr. No.	Particulars	Details
1	Name	Mrs Khushboo Pasari
2	Designation	Company Secretary & Compliance Officer
3	Telephone Number	(+91) 0712-6681841
4	E-mail Id	cs@solargroup.com brr@solargroup.com

Business Responsibility Policies and Guidelines:

The Company has aligned its policies and guidelines with the principles enunciated under the Business Responsibility Reporting framework on social, environmental and economic responsibilities of business. The context of the BR principles is embodied in the Policies and Code of Conduct adopted by the Company, implementation of which is ensured through well-established systems and processes.

Company has made a BRR Manual briefing on each principle of NVG guidelines. The manual has the policies framed under each principle and the details of the activities which the Company conducts or can conduct as its Business Responsibility initiatives.

Solar's Policies Aligned with Business Responsibility Principles :

Principle	Business Responsibility Principles	Relevant Policies
1.	Ethics, Transparency and Accountability	Code of Conduct, Whistle Blower Policy, Anti Bribery Policy
2.	Products Life-cycle Sustainability	Policy on Product responsibility and Life-cycle Sustainability
3.	Employees' Well-Being	Policy on Employee Well-Being.
4.	Stakeholder Engagement	Policy on Stakeholder Engagement
5.	Human Rights	Policy on Human Rights
6.	Environment	Policy on Environment, Health and Safety
7.	Policy advocacy	Policy on Responsible advocacy
8.	Inclusive Growth and Equitable Development	Policy on Corporate Social Responsibility
9.	Customer value	Policy on Responsibility towards Customers and their Engagement

ii. Principle-wise (as per NVGs) BR policy/policies:

Details of compliance (Reply in Y - Yes/ N- No)

Principle-wise as per National Voluntary Guidelines (NVGs)

S 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	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	All the policies have been formulated in consultation with management of the company and is approved by the Board.								
3.	Does the policy confirm to any national / international standards? If yes, specify?	(The policies are based on NVG, in addition to conformance to the spirit of international standards like ISO 9001:2000 and ISO 14000:2004, OHSAS 18001)								
4.	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Yes all the Policies have been approved by the Board & have been signed by the Managing Director of the Company.								
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	Yes, the policies have been communicated to all the internal stakeholders. For external stakeholders all the policies are available at company's website at: www.solargroup.com								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	The policies have been communicated to Solar's internal and external stakeholders. The BR Policies are communicated through this report.								
8.	Does the Company have in-house structure to implement the policy/ policies?	Yes, the Sustainability Compliance Review Committee (SCRC) of the Corporate Social Responsibility is responsible for the implementation of Solar's BRR policies.								
9.	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Yes, any grievance or feedback can be sent to brr@solargroup.com								
10.	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Yes. The Company internally carried out evaluation of the working of BRR cum sustainability policies by its Sub committee – Sustainability Compliance & Review Committee (SCRC).								

iii. Governance related to Business Responsibility (BR)

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:

The Board of Directors of the Company, either directly or through its Committees, assesses various initiatives forming part of the BR performance of the Company on a periodic basis. The CSR Committee meets every quarter to review implementation of the projects/ programmes/activities to be undertaken in the field of CSR. Other supporting functions/groups like Sustainability, meet on a periodic basis to assess the BR performance.

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 the information on BR which forms part of the Annual Report of the Company. The Annual Report is also uploaded on the website of the Company at www.solargroup.com

Section E**Principle - Wise Performance****Principle 1: Ethics, Transparency And Accountability**

Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

Our philosophy is to conduct the business with high ethical standards in our dealings with all the stakeholders that include employees, customers, suppliers, government and the community. Any business without ethics cannot win the trust of the stakeholders. We have enacted a "Code of Conduct" and with the underlying philosophy of conducting our business in an ethical manner as enshrined by our values and beliefs. This helps in creating a work environment that is conducive to our employees and our associates. The Code sets out the guidelines to be followed by each member of solar group.

Our Company also has a Whistle Blower Policy which allows employees to bring to the attention of the Management, promptly and directly, any unethical behavior, suspected fraud or irregularity in the Company practices.

Solar is committed to conduct business with integrity and ensuring adherence to all laws and regulations and achieving highest standards of Corporate Governance. The Company has set the highest standards in transparency to not just maintain but also grow the confidence of all its stakeholders.

Information with reference to BRR framework:

- 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 is committed to adhere to the good standards of ethical, moral and legal conduct of business operations. The Company, in order to maintain these standards has adopted the 'Code of Conduct', and the 'Policy on Anti-Bribery' which lays down the principles and standards that should govern the actions of the employees in the course of conduct of business of the Company. The Company also has a 'Whistle blower policy'.

- 2) How many stakeholder 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.

No complaints relating to ethics, bribery and corruption were received during the FY 2017-18.

Principle 2 - Product Life Cycle Sustainability

Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

Our robust commitment to ensure compliance with relevant standards of health and safety commences at the initial stage, wherein appropriate health and safety elements across manufacturing, delivery and consumption are identified and evaluated.

Creating sustainable products is a part of SIIL's endeavor towards responsible product stewardship. The company aims to make it's products more safe and environment friendly.

Information with reference to BRR framework:

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

a) **Microdet:** This is the trade name of the product developed at Economic Explosives Ltd. It is basically a electronic detonator used for initiating detonator sensitive explosives. The advantages of Electronic Detonator over the conventional electric or non-electric detonator used in the mining industry are:

- i) higher precision
- ii) improved blasting results owing to wide range of delays
- iii) reduction in air blast/ground vibration
- iv) safe use in extraneous electric environments
- v) possibility of limiting the amount of detonators per shot.

b) Ultrasafe Detonator:

This product is another development in our initiating explosives range of products .It belongs to the electric initiating explosives group. It has the following advantages:

- i) The normal aluminum electric detonator has lead styphnate as one of it's explosive components. This chemical is highly sensitive to discharge of static electricity. Also manufacturing of this chemical in the plant creates environmental problems from the effluent generated during manufacture which intern results in reduction of power in the treatment of waste water and recovers water for process utilisation. In Ultrasafe detonator this chemical has been eliminated and replaced by another chemical which does not have the drawbacks of Lead Styphnate.

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

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

The power consumption per Ton of explosives has been reduced from 45 units to 27 units in 2 years by the incorporation and improvement of process resulting elimination of Chillers from the product line. This has drastically reduced the power consumption from one of the product called Emulsion.

We have zero discharge plant and all the ETP and STP water is recycled and made useful for gardening and steam boiler. All the condensate water recovered from the steam line traps is transferred back to the boiler for reuse. This is resulting considerable amount of reduction of water consumption and heat energy.

3) Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainability? Also, provide details thereof, in about 50 words or so.

Sustainable sourcing at SIIL represents contribution to the Energy management, Environment responsibility, Occupational Health & safety and Social networking. The company has ISO 14001 to cover the environmental management system to effectively manage its activities like manufacturing, storage and use of explosives and chemicals. To improve the protection of human health working inside the factory as well nearby areas SIIL has adopted the approach of OSHAS 18001.

Company has incorporated many materials handling equipment's to reduce the load of work force and utilize their energy in the development of the process and productivity.

The product is designed in such a manner that after use there should not be any effect on environment. Products are tested from their environmental aspects by the authorized scientific laboratories and only after clearance the products are used in the mines.

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 encourages the procurement of goods and services from local and small producers surrounding its plant locations.

Our contractors, who are engaged in operation and other works of plants mostly employee workmen from the nearby the villages. Company is also committed to improve the vendors OSHAS requirements across all its plant locations. Some of the vendors specifically developed their process to suit our requirements and used in the process specially packaging materials. SIIL distribute lots of works to the local vendors for its developments and we have better experience in getting in time supply.

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, in about 50 words or so.

The Company has policy to minimise generation of waste from the processes. We have mechanism to separate explosives and non-explosives waste in the process. SIIL is recycling most of the useful wastes and all others are destroyed being explosives in nature. Company uses bi-products for making useful raw materials to be used in process of other products.

We follow the guidelines of Explosives Rules, 2008 and Authorisation for disposal of wastes to the Common Hazardous Waste Treatment, Storage and Disposal facility as approved by Maharashtra Pollution Control Board.

Principle 3 - Employee's Well-Being
Businesses should promote the well-being of all employees

Employee well-being and maintaining the work-life balance requirements has been of paramount significance to solar. Policy on 'Employee Well-Being', which also covers 'Diversity and Equal Opportunity', 'Freedom of Association', among others, guide the management approach on specific elements of the Company's work practices. The Company is an equal opportunity employer and makes employment decisions based on merit and business needs.

Information with reference to BRR framework:

Sr. No.	Questions	Information
1	Please indicate the Total number of employees	2020
2	Please indicate the Total number of employees hired on temporary/ contractual/ casual basis	3285
3	Please indicate the Number of permanent women employees	60
4	Please indicate the Number of permanent employees with disabilities	6
5	Do you have any Employees association that is recognized by the management	There is one employees association that is recognized by the management as well as Industrial Court. Solar respects the rights of employees to free Association and representation.
6	What percentage of your permanent employees is members of this recognized employee association?	Almost, all the workers are members of the recognised employee associations (unions).

7. Details of complaints filed during the Financial Year are as follows:

Sr. 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?

SIIL has been accredited OHSAS-18001:2007 & ISO 14001:2004 by DNV-GL and audits have been conducted internally by trained lead auditor as well as by external auditors of certification agency. Employee training and development is an essential element of Solar's strategy. During FY 2017-18 the Company provided safety & skill up-gradation training to almost 90% of the concerned employees including casual employees, employees with disabilities who required the same. Solar has imparted 3.075 million man hours of training in its work place.

Principle 4 - Stakeholders Engagement

Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

Stakeholder engagement helps your Company in decision making, in delivering Solar commitments, in strengthening relationships and succeeding in the business.

Information with reference to BRR framework:**1. Has the company mapped its internal and external stakeholders?**

We have mapped our internal and external stakeholders in a structured way and carry out engagements with them on a regular and ongoing basis. Regular engagement and transparency in action, we believe, builds trust and trust nurtures relationships.

Our key stakeholders are: Employees, Shareholders & Investors, Business Partners, Consumers and Community.

Sr No.	Stakeholder	Nature	Medium of Engagement
1	Government and regulatory authorities	External	• Industry Bodies/Forums
2	Employees	Internal	• Sharing information via the Intranet, emails and other methods • Conferences with employee groups • Meetings, Training
3	Customers	External	• Customer Satisfaction Feed backs, Survey, etc
4	Suppliers	External	• Dialogue through day-to-day business activities • Conferences and meetings • Plant visits
5	Society and Local Community	External	• Visits, programs, camps
6	Investors and shareholders	External	• Annual General Meeting • Investor meets and Annual report • Financial Results briefings

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

Yes. The Company has identified the disadvantaged, vulnerable & marginalized stakeholders.

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.

Solar has taken the path of inclusive development to address the societal issues and engage the disadvantaged, vulnerable and marginalized stakeholders.

As Solar is always ahead in implementing various initiatives for the development and progress of Vulnerable, down trodden & marginalized section of the society. For this engage these people as and where possible. We have already engaged some employees in our Company who are handicapped. We are planning to engage these type of people in society in future also.

Principle 5: Human Rights**Businesses should respect and promote human rights**

The Company respects the rights of people in communities where it operates. The Company recognizes its responsibility to respect human rights and avoid complicity in human rights abuses. It equally focus on building awareness around promotion of human rights. The organisation maintains engaging and transparent relations with all its members, associates and any related Associations. The organisation has well entrenched guideline led policies and practices to address and redress grievances of any nature.

Information with reference to BRR framework:

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGO/Others?

The policy is applicable to Solar and its subsidiaries. Solar's Human Rights policy covers the guidelines on Right to Equality, Freedom, Cultural and Educational rights and it's applicable to all members of Solar group.

2. How many stakeholder complaints have been received in the past Financial Year and what percent was satisfactorily resolved by the management?

No complaints under exploitation of Human Rights were received during the FY 2017-18.

Principle 6 - Environment**Businesses should respect, protect, and make efforts to restore the environment****Information with reference to BRR framework:**

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGO /others.

Solar's Environmental Policy is applicable to all its manufacturing locations.

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 web page etc.

Yes. The Solar Group's 'Environment policy' guide the organization to continually mitigate the impact on Climate Change and Global Warming as a result of our operations is applicable. The company is committed for ensuring the environmental protection by minimizing the pollution, waste and conservation of scarce natural resources.

<https://www.solargroup.com/Uploads/Files/PEHS.pdf>

3. Does the company identify and assess potential environmental risks? Y/N

Yes, Aspect/ Impact study of all the plants have been done to the

assess the potential environmental risk and controlled measures has been provided for all individual plants. The company has been certified by the DNV for Environment Management System – ISO 14000.

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?

The company follows the principle of zero discharge effluent outside the premises and recycling of all sewage effluent water. The recycled water is used only after getting desired property treatments.

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.

The company has taken an initiative of elimination of highly hazardous chemical Lead Styphnate. During the manufacturing of the same a very hazardous brown color effluent generated which is not been able to decolorized which is causing high potential environmental risk. After successful trials all commercial productions are being made with potassium perchlorate in place of Lead Styphnate which is much safer and environmental friendly.

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the Financial Year being reported?

Hazardous based waste generated by the company is within the permissible limit and it is being disposed by sending to CHWTSDF (Vidharbha Enviro Protection Ltd.), Butibori which is a government authorized treatment plant.

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.

Nil.

Initiatives / Efforts taken by Company to restore and protect environment sector through its business activities are:

1. Consents to operate granted by MePCB under Water/Air/ Hazardous Waste (Management & handling) Rules and dully renewed up to 30.06.2021.
2. MPCB officials visiting factory regular and "Joint Vigilance Samples" JVS conducted and compliance evaluation being done.
3. Environmental monitoring conducted by M/s Earth care laboratories quarterly for waste water, drinking water, stack and ambient air/noise
4. EIA study under progress by Anacon laboratory , Nagpur

Principle 7: Responsible Advocacy

Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner

Information with reference to BRR framework:

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:

- a. SAFEX International
- b. International Society of Explosive Engineers
- c. Explosive Manufacturers Welfare Association
- d. Vidharba Chambers of Commerce

2. Have you advocated/ lobbied through above associations for the advancement or improvement of public good? 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.

Principle 8: Inclusive Growth

Businesses should support inclusive growth and equitable development.

For growth to be responsible, it should go beyond numbers... It should do good to the society, create a better world. That's the kind of growth that Solar believes in, and constantly strives for. Our stated purpose is to "Make a Difference and adding Value". A firm has to work closely with its ecosystem to create a sustainable & inclusive growth for all.

Information with reference to BRR framework:

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

It's our continuous endeavor to integrate sustainability considerations in all our business decisions. Solar's CSR initiatives can be grouped in

Yes, the major areas in which initiative/ projects undertaken is given below:

- | | |
|----------------------|-------------------|
| A. Rural Development | D. Environment |
| B. Education | E. Public Welfare |
| C. Health care | |

The details of CSR initiatives undertaken by your company are set out in Annexure 'D' of Director's Report.

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

Solar collaborates with Government bodies, NGOs and donating agencies to implement community initiatives in the thematic areas of Rural Development, education, health, environment, public welfare, eradicating hunger and poverty and contribution to the fund recognised by government.

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

Yes, The Company has assessed at some of its previous year's initiatives.

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

Solar has spent overall ₹3.51 Crores for community development activities under CSR Projects.

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. Initiatives conducted under CSR are tracked to determine the outcomes achieved and benefits accrued to the Community. Internal tracking mechanisms, monthly reports and follow-up field visits, telephonic and email communications are regularly carried out.

Principle 9: Customer Value

Businesses should engage with and provide value to their customers in a responsible manner.

It is the responsibility of the organisation to provide products that satisfactorily meet the customer requirements. Solar has a customer - centric approach.

Information with reference to BRR framework:

1. What percentage of customer complaints/ consumer cases is pending as on the end of Financial Year?

Company received 27 complaints during the year which were resolved as at 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/ No/ N.A. /Remarks (additional information)

Solar adheres to all compliance of product information and product labeling.

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. If so, provide details thereof, in about 50 words or so.

There are no cases filed by any Stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior. There is one case pending in Supreme Court on Bid rigging filed by the commission against the order of the Appellate commission. This pertains to the Case filed

by Coal India Ltd on 10 manufacturers for bid rigging during the year 2010-11.

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

Customer Satisfaction is significant to Solar as it ensures the its overall reputation and brand promise in the geographies it operates in. The Company carries out consumer survey/ consumer satisfaction trends through a feedback form.