Business Responsibility Report

Section A: General Information about the Company

1.	**Corporate Identity Number (CIN)**	:	L73100GJ2006PLC047837
2.	**Name of the Company**	:	Sun Pharma Advanced Research Company Limited
3.	**Registered Office Address**	:	Akota Road, Akota Vadodara - 390020, Gujarat.
4.	**Website**	:	www.sparc.life
5.	**E-mail id**	:	secretarial@sparcmail.com
6.	**Financial Year reported**	:	2018-19

7. **Sector(s) that the Company is engaged in (industrial activity code wise):**

Group	Class	Sub Class	Description
721	7210	72100	Research and experimental development on natural sciences and engineering

8. **List three key product / services that the Company manufactures / provides (as in balance sheet):**

   The Company is engaged in the business of Pharmaceutical Research & Development.

9. **Total number of locations where business activity is undertaken by the Company:**

   a. Number of international locations: Nil

   b. Number of national locations: 3

10. **Markets served by the Company:**

    N.A.

Section B: Financial Details of the Company

1. **Paid up capital (Rs. in lakhs):** 2,620.47

2. **Total turnover (Rs. in lakhs):** 18,286.92

3. **Total profit/ (loss) after taxes (Rs. in lakhs):** (14,543.08)

4. **Total spending on Corporate Social Responsibility (CSR) as percentage of Profit after Tax (%):**

   NIL*

5. **List of activities in which expenditure as mentioned in point 4 has been incurred:**

   N.A.

   * In view of the negative average net profit of the company during the three immediately preceding financial years, the Company was unable to spend on CSR activities.

Section C: Other Details

1. **Does the Company have any Subsidiary Company / Companies?**

   No

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)?**

   N.A.

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%]:**

   N.A.

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:

Director Identification Number (DIN)	:	00005561
Name	:	Sudhir V. Valia
Designation	:	Non- Executive Director

   b. Details of the BR Head:

Sr. No.	Particulars	Details
1	DIN	N.A.
2	Name	Mr. Anilkumar Raghavan
3	Designation	CEO
4	Telephone Number	+91 22 6645 5645
5	E-mail Id	anil.raghavan@sparcmail.com

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

The National Voluntary Guidelines (NVGs) on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility.

These briefly are as under:

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 marginalized.

P5- Businesses should respect and promote human rights.

P6- Businesses 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.

Sr. No.	Questions	Business Ethics P1	Product Responsibility P2	Wellbeing of Employees P3	Stakeholder Engagement & CSR P4	Human Rights P5	Environment P6	Public Policy P7	CSR P8	Customer Relations P9
1	Do you have a policy/ policies for...	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
2	Has the policy been formulated in consultation with the relevant stakeholders?	Yes. After due consultation with the concerned Management Team, the Business Responsibility and other related policies have been formulated. Subsequently, the Board of Directors has approved these final policies.								
3	Does the policy conform to any national/ international standards? If yes, specify?	Yes. The policies do comply with the respective principles under the NVG guidelines.								
4	Has the policy been approved by the Board? If yes, has it been signed by MD/Owner/CEO/ appropriate Board Director?	Yes. The Board of Directors have approved the policies and they have been signed by the Chief Executive Officer.								
5	Does the Company have a specified committee of the Board / Director / Official to oversee the implementation of the policy?	To oversee policy implementation, the Board has appointed Mr. Sudhir V. Valia, a Director of the company.								
6	Indicate the link for the policy to be viewed online?	The copies can be made available to the concerned stakeholders, on receipt of request.								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	The policies have been communicated to all internal stakeholders. They will be communicated to the external stakeholders in due course.								
8	Does the Company have inhouse structure to implement the policy/ policies?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Sr. No.	Questions	Business Ethics P1	Product Responsibility P2	Wellbeing of Employees P3	Stakeholder Engagement & CSR P4	Human Rights P5	Environment P6	Public Policy P7	CSR P8	Customer Relations P9
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 grievances pertaining to the Policy can be forwarded to Mr. Anil Raghavan, CEO, for appropriate action/ resolution.								
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Independent audit/evaluation is under consideration.								

2a. If answer to Sr. No. 1 against any principle is No, please explain why: N.A.

Sr. No.		P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the principles	Not Applicable								
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 six months									
5	It is planned to be done within next one year									
6	Any other reason									

3. Governance related to BR:

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

The BR performance of the Company is assessed by the Board on an Annual basis.

b. Does the Company publish a BR or a Sustainability Report? What is the hyper-link for viewing this report? How frequently it is published?

The Company' BR Report is published annually, and it forms a part of the Annual Report. It is available on the Company's website, www.sparc.life at http://www.sparc.life/annual-reports

Section E: Principle-wise Performance

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

The values of the company are at the core of its organizational culture. It aims to keep its responsibilities intact while pursuing growth. The mantra is to root for responsible growth and to do that in an organic way with a holistic approach. Values such as Transparency, Integrity, good governance and accountability form the heart of the company's code f conduct and the company takes

all effort to stand by them. Apart from practicing these values, the company believes in adhering to all statutory regulations of the land. This helps the company stick to its ideology of maintaining unparalleled stakeholder trust while also creating long term value for them.

The Company's guiding principles include:

a. Setting examples at the top

Upright values and fair business practices start right at the top. The Board of Directors lead the responsibility drive and set an example for others to follow suit. Adhering to the compliance norms set by the company and ensuring mechanisms to monitor and review Business responsibility is another thing the Board of directors takes seriously.

b. Adhering to a comprehensive Code of Conduct

The directors and employees of the company operate within the framework of its well-defined code of conduct. The legal and ethical codes that comprise the framework intercept misconduct by laying out clear cut practices such as:

- Ethically resolving conflicts if they arise, as a priority over personal and professional relationships.
- Safeguarding confidential information related to the clients and Company
- Protecting the assets of the company and ensuring its proper usage.
- Heeding to all the statutory compliances laid down
- Reporting incidents of infringements or non-compliance, n accordance with the due internal processes and procedures

Whistle-Blower Policy to uphold Governance

The process for reporting violation, breach, noncompliance, infringement, or infraction of the code of conduct as well as the provision for protection has been précised in the Whistleblower policy of the Company.

During the year, there were no violations to the code of conduct reported.

1. **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 Policy extends only to the Company

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.**

   The Company had received 4 complaints from its shareholders, which were resolved during the previous year.

Principle 2: Business should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

The Company has been on a persistent quest to find newer ways to use the power of science to enrich and improve human life and guide people to the path of better health and happiness. The company implements its scientific research techniques to tap into the various therapeutic areas and deliver solutions that cater to the requirements of a wide range of patients. The Company's extensive research addresses a broad spectrum of treatment, cure, and healthcare whether it is complex medication to target rouge tumor cancer cells or once-a-day glaucoma dose.

All through its journey to better healthcare, the company relentlessly pursues conforming to the top-notch benchmarks of sustainability regarding its processes and practices.

Some instances that explain our quest for sustainability are:

- Novel Self-Dispersing Nanoparticle Technology – The Company pioneered this technology to combat the challenges that existed in the water-insoluble anti-cancer medication with higher drug localization into cancer cells. This technology not only forestalls the use of toxic surfactant but also gives the added advantage of delivering higher doses.
- Lipixelle ™ Technology – This technology overcomes the hitch of solubilising ophthalmic drugs using Benzalkonium Chloride (BAK)-free solubilising technology. This extirpates the use of toxic BAK, known to damage ocular surfaces regular use.
- Wrap Matrix™ Technology – This technology has led to an ingenious oral controlled drug delivery system with a high drug to incipient ratio, reducing the pill size, to aid patients to easily swallow tablets and pills. The Company develops several products based on New Drug Delivery Platforms such as GRID, Wrap Matrix ™ Technology, etc., apart from discovering new drugs.

Note: As the Company focusses on R&D and does not manufacture any product, the following queries are not applicable.

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

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

   a) Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain.

Consumption per unit of production	Current Year (April, 2018 – March, 2019)	Previous Year (April, 2017 – March, 2018)
N.A.	N.A.	N.A.

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

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

4. Has the Company undertaken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve the capacity and capability of local and small vendors?

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.

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

Sr. No.	Category of Employees	No. of Employees
1	Management Staff	427
2	Shop Floor Associates	None
	Total	**427**

1. Please indicate total number of employees hired on temporary / contractual / casual basis.

Sr. No.	Category of Employees	No. of Employees
1	Retainers / Advisors	2
2	Subcontracted Employees	None
3	Third Party Employees	103
4	Casual Employees	None
	Total	**105**

2. Please indicate the number of permanent women employees.

Number of permanent women employees: 122

3. Please indicate the number of permanent employees with disabilities.

Number of permanent employees with disabilities: 01

4. Do you have an employee association that is recognized by the Management?

No

5. What percentage of permanent employees are members of this recognized employee association?

N.A.

6. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and those pending as on the end of the financial year.

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

7. What percentage of undermentioned employees were given safety and skill up-gradation training in the last year?

A. Permanent employees: 89%
B. Permanent women employees : 92%
C. Casual / Temporary / Contractual employee : NIL
D. Employees with disabilities: 100%

Principle 4: Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

The internal and external stakeholders of the company are charted as under:

1. Employees
2. Communities
3. Patients
4. Healthcare Professionals
5. Payers
6. Regulatory Authorities
7. Shareholders

The company is consistently dedicated and focused on multi-stakeholder engagement and value-creation for both its internal and external stakeholders. The expectations of each stakeholder group are mapped, measured and managed that entails specific deliverables as well as taking care of divergent and minority interests. A stakeholder policy has been laid down by the company to sustain high benchmarks of transparency and accountability and ensure the involvement of each and every stakeholder in the decision-making process.

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

   Yes

2. **Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized stakeholders?**

   No

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.**

   N.A.

Principle 5: Businesses should respect and promote human rights.

Especially in respect of matters related to health and wellness, respect and dignity of human beings is crucial. The Company acknowledges this as a non-negotiable element of its undertakings.

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?**

   Yes. The Company ensures that the fundamental rights of all individuals, within the organisation and across every touch point, are preserved. Certain imperatives are uncompromisingly adhered to by the Company. These include:

   - Ensuring fair wages, freedom of association and collective bargaining
   - Maintaining an open redressal mechanism to address stakeholder concerns about human rights
   - Providing a safe and secure work-place that is free from discrimination, harassment or indignity
   - Strict condemnation of inhuman practices of child labour, forced labour or any such forms

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the Management?**

   The Company did not receive any complaints about human rights violation from any stakeholder group during the year.

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

Ensuring the fragile ecological balance and using precious natural resources justly and judiciously in all spheres of its operations is what the Company takes seriously. In a quest to comply with all environmental laws of the land, the company consistently strives to reduce, reduce, re-use and recycle with greener processes and better technologies. To take it a step further, The Company has requested investors to opt for digital copies over printed ones, of documents, notices, annual report, etc, under its 'Go Green' initiative.

The Company has not received any CPCB/SPCB notice during the past financial year.

1. **Does the policy pertaining to Principle 6 cover only the Company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / others?**

   Yes

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

   No

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

   Yes

4. **Does the Company have any project related to Clean Development Mechanism (CDM)? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?**

   No

5. **Has the Company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy etc? If yes, provide hyper-link to 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

7. **Number of show cause / legal notices received from CPCB / SPCB which are pending (i.e. not resolved to satisfaction) as of end of financial year.**

   None

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

The Company actively engages with trade and industry to further the cause of scientific research and innovation in India. It is a member of the IMC Chamber of Commerce and Industry.

1. **Is your Company a member of any trade and chambers of association? If yes, name only those major ones that your business deals with.**

   Yes. We are member of IMC Chamber of Commerce & Industry.

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: Businesses should support inclusive growth and equitable development.

The Company endeavors a wider net of inclusive growth by extending the benefits of better healthcare to a larger group of beneficiaries. The focus and drive to achieve this are clearly reflected in the CSR policy of the Company. Unfortunately, operational loss and negative cash flow during the three immediately preceding years prevented the Company from investing in CSR activities. Nonetheless, the Company is focused on implementing welfare programmes with an aim to bring better healthcare to a wider reach of communities:

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

   N.A.

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

   N.A.

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

   N.A.

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

   N.A.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words.**

   N.A.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.

Although the Company does not directly engage or deal with its end consumers, it assumes its responsibility and obligation towards its patients as part of its larger purpose and objective to improve and enrich lives. For this purpose, the Company has a customer-centric policy based on the following broad themes:

- Focus on health, safety, and satisfaction
- Follow a socially responsible and ethically firm product development lifecycle, sustainability being its main goal.
- Give top priority to customer feedback and concerns, and respond systematically and effectively.

1. **What percentage of customer complaints / consumer cases are pending as on the end of financial year 2019?**

   Nil

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

   Not Applicable, since the Company does not manufacture any product.

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, in about 50 words or so.**

   None

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

   No