



IN

PURSUIT OF

EXCELLENCE

2017-18 BUSINESS RESPONSIBILITY REPORT

BUSINESS RESPONSIBILITY REPORT

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company	L24230MH1979PLC022059
2. Name of the Company	Ajanta Pharma Limited (APL)
3. Registered address	Ajanta House, Charkop, Kandivli (West), Mumbai - 400067
4. Website	www.ajantapharma.com
5. E-mail ID	info@ajantapharma.com
6. Financial Year reported	1 st April 2017 – 31 st March 2018
7. Sector(s) that the Company is engaged in (industrial activity code-wise)	Manufacture of Pharmaceutical products (Code: 21002)
8. List three key products/services that the Company manufactures/provides (as in balance sheet)	Artefan, Met-XL, Atorfit
9. Total number of locations where business activity is undertaken by the Company	<p>a. Number of International Locations (Provide details of major 5): 5</p> <p>The Company has six foreign subsidiaries (including one step down subsidiary) located in USA, Nigeria, Philippines, Mauritius & UK. UK subsidiary is under winding up process.</p> <p>b. Number of National Locations:</p> <p>i. Registered & Corporate office is located at Kandivli, Mumbai.</p> <p>ii. Six manufacturing plants are situated at:</p> <p>(a) Paithan, Chikalthana, Waluj & Chitegaon in Maharashtra;</p> <p>(b) Dahej, Gujarat</p> <p>(c) Guwahati, Assam.</p> <p>iii. R&D centres are situated at Kandivli, Mumbai</p> <p>iv. Two Central Warehouses situated at Zikarpur, Chandigarh & Aurangabad, Maharashtra.</p> <p>v. C & F agents and depots at various locations throughout the country.</p>
10. Markets served by the Company	India, Asia, Africa and USA

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up Capital (INR)	₹ 17.60 cr.
2. Total Turnover (INR)	₹ 1,830.45 cr. (Standalone)
3. Total profit after taxes (INR)	₹ 427.52 cr. (Standalone)
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax	The Company's total spending on CSR for the year ended 31 st March 2018 was ₹12.36 cr. which is 2.33% of profit after tax.
5. List of activities in which expenditure in 4 above has been incurred	<p>a) Healthcare</p> <p>b) Education</p> <p>c) Community welfare</p>

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/ Companies?	As on 31 st March 2018, the Company has 6 subsidiaries including one step down subsidiary.
2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	All the subsidiaries are incorporated outside India. They comply with the requirements of their respective countries and have independent business responsibility initiatives.
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%]	Other entities do not directly participate in the BR initiatives of the Company.

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR:

(a) Details of the Director/Director responsible for implementation of the BR Policy/policies

DIN Number:	00073673
Name:	Mr. Yogesh M Agrawal
Designation:	Managing Director

(b) Details of the BR head:

No.	Particulars	Details
1	DIN Number (if applicable)	N.A
2	Name	Mr. Arvind Agrawal
3	Designation	CFO
4	Telephone number	022 66061000
5	e-mail id	arvind.agrawal@ajantapharma.com

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

(a) Details of compliance (Reply in Y/N) ✓

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have policy/policies for....	✓	✓	✓	✓	✓	✓	x	✓	✓
2	Has the policy being formulated in consultation with the relevant stakeholders?	✓	✓	✓	✓	✓	✓	-	✓	✓
3	Does the policy conform to any national/international standards? If yes, specify? (50 words)	The policies are broadly based on the National Voluntary Guidelines on social, environmental and economical responsibilities of business issued by the Ministry of Corporate Affairs, Government of India.								
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/owner/CEO/appropriate Board Director?	✓	✓	✓	✓	✓	✓	-	✓	✓
5	Does the company have a specified committee of the Board/Director/Official to oversee the implementation of the policy?	✓	✓	✓	✓	✓	✓	-	✓	✓
6	Indicate the link for the policy to be viewed online? (@)	@	@	@	@	@	@	-	@	@
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	✓	✓	✓	✓	✓	✓	-	✓	✓
8	Does the company have in-house structure to implement the policy/policies.	✓	✓	✓	✓	✓	✓	-	✓	✓
9	Does the company have a grievance redressal mechanism related to the policy/policies/to address stakeholders' grievances related to the policy/policies?	✓	✓	✓	✓	✓	✓	-	✓	✓
10	Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	BR policies were reviewed by company's internal audit department and Managing Director.								

@ All the policies are placed on the intranet of the company except CSR policy which is available on <http://www.ajantapharma.com/AdminData/PolicyCodes/CSRPoly2018.pdf>

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

No. Questions	P7
1. The company has not understood the Principles	-
2. The company is not a stage where it finds itself in a position to formulate and implement the policies on specified principles	No need has been felt to formulate specific policy on public advocacy as company does not engage in it directly.
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)	-

3. Governance related to BR

a. Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year:	Annually by internal auditor and MD
b. Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	The BR report for FY18 forms part of the annual report. However, as part of green initiative, the same is not printed and can be accessed at the following link: http://www.ajantapharma.com/AnnualReports.aspx The Company does not publish sustainability report.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 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, Company has put in place code of conduct for Directors and Senior Management personnel, which extends to the group including all its employees, Directors & subsidiaries. Company has also put in place, Whistleblower Policy in order to enable employees and others to bring to the notice of Board and management, any wrongdoing or unethical practices observed in 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.	No complaints have been received from any stakeholder during FY 2018.

Principle 2

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.	(a) Apcal C: Calcium deficiency treatment (b) Aprazole : Gastroenterology (c) Tri-Senza: Anti-diabetic
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<p>2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):</p> <p>a. Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?</p> <p>b. Reduction during usage by consumers (energy, water) has been achieved since the previous year?</p>	<p>(a) The Company manufactures as also distributes a wide range of branded and generics formulations at its world-class manufacturing facilities. There are no specific standards to ascertain reduction achieved at product level, as consumption per unit depends on the product mix.</p> <p>(b) There is no broad-based impact on energy and water consumption by consumers due to the Company's products. However, the Company takes ongoing measures to reduce consumption of energy and water.</p>
<p>3. Does the company have procedures in place for sustainable sourcing (including transportation)?</p> <p>i. If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.</p>	<p>The company through this policy endeavors to provide sustainable products that will result into economic, social and environmental benefits while protecting public health and environment over the product life cycle.</p> <p>Ajanta has established stringent process to approve vendors from whom materials are procured. The quality assurance team conducts periodic audit of the vendors, especially those who supply key materials to ensure sustainability. The company continuously endeavors to use sustainably sourced ingredients in products and manufacture products based on internationally accepted standards of manufacturing.</p> <p>We have dedicated resources involved in building capacity and sharing best practices among all our strategic business partners. We are developing alternate reliable vendors, especially wherever we have single vendors to ensure business continuity.</p>
<p>4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?</p> <p>(a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?</p>	<p>We have procedures in place to procure goods and services from local, as well as small producers. At present, 90% of our procurements are sourced from domestic producers and the rest from international producers. We have dedicated resources assigned to the job of improving capacity and capabilities of local producers. Procurement of goods from local vendors helps the Company save on transportation and inventory carrying costs.</p> <p>Some of our initiatives in this area include:</p> <ul style="list-style-type: none"> • Sharing good practices through interaction. • Updating vendors with changes & technology.
<p>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.</p>	<p>Company actively promotes the concept of reuse and recycling. About 70% of the waste water generated in plants, is recovered, recycled and reused thereby reducing usage of fresh water.</p> <p>Treated waste water is used for gardening the Company premises thereby reducing consumption of fresh water. Most of the solvents are recycled and reused.</p> <p>During the year we commissioned food waste composter machines, RO plant for tertiary treatment & decanter at one of our location. These initiatives helped us to reduce solid waste & recycle waste water.</p>

Principle 3

1. Please indicate the Total number of employees	8,050
2. Please indicate the Total number of employees hired on temporary /contractual / casual basis	1,255
3. Please indicate the Number of permanent women employees	483
4. Please indicate the Number of permanent employees with disabilities	3
5. Do you have an employee association that is recognized by management	Yes
6. What percentage of your permanent employees is members of this recognized employee association?	1.71%
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:	

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?		
(a) Permanent Employees		61%
(b) Permanent Women Employees		15%
(c) Casual/Temporary/Contractual Employees		63%
(d) Employees with Disabilities		33%

Principle 4

1. Has the company mapped its internal and external stakeholders? Yes/No	Yes
2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.	Yes
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.	<p>We provide needy patients best of health in the areas of Cataract operations, family planning program and Plastic Surgery by conducting regular camps in the rural and tribal areas, completely free of cost including their transport, food, medicines & eye glasses.</p> <p>We provide educational infrastructure in the form of renovating schools, building science laboratories, libraries, computer labs, scholarships to deserving students in various schools in rural & tribal areas, assistance for construction of new buildings, etc.</p> <p>We provide vocational training to girl students in the areas of sewing, embroidery, singing, computer etc., and more than 5,000 girls are availing the benefit of this facility in different schools in rural India.</p>

Principle 5

(a) Does the policy of the Company on human rights cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/ NGOs/others.	It covers entire Ajanta Pharma group. However, it does not cover suppliers, contractors, NGOs and others.
(b) How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	None

Principle 6

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/ NGOs/others.	The policy covers the Company and all its subsidiaries alongwith the contractors working within the premises of the company.
2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.	Yes, we are a responsible corporate, committed towards managing climate change, both within and beyond our sphere of influence. As such, we have internal commitments to address climate change and global warming. To reduce our carbon footprints we have taken steps to install solar power plant which will contribute to reduce CO2 emissions by 270 MT/Annum.
3. Does the company identify and assess potential environmental risks? Y/N	Yes, we identify and assess potential environmental risks and mitigate them to eliminate such risks through necessary steps & implementations.
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?	We have taken steps to adopt green energy utilization as an alternate source of energy. Installation of Solar roof top power plant at Central warehouse is done.
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.	As a responsible corporate, we implemented energy conservation projects across our business units during this year. Installation of Solar roof top power plant at Central warehouse, which will reduce carbon foot print by 270 MT. We are extending similar installation to other units.
6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?	Air emissions and waste generated by us are within the permissible limits, prescribed by environmental regulators.
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.	None

Principle 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:	(a) Indian Drug Manufacturers Association (IDMA) (b) Pharmaceuticals Export Promotion Council of India (PHARMEXCIL) (c) Confederation of Indian Industry (CII) (d) Federation of Indian Exporters Organisation (FIEO)
(a) 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

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.	Yes, the Company has specified programs and projects in pursuit of this policy. The major focus areas in this regard are as follows: <ol style="list-style-type: none"> 1. Healthcare - Under this program we provide healthcare to poor and needy people in the village and tribal areas in different parts of the country. During FY 2018, 1,50,000 plus patients were screened for various diseases. 66,000 cataract surgeries were performed completely free of cost. About 8,000 people took benefit of skin/family welfare camps organized by the company. We have also assisted one of the hospital providing free medical aid to needy patients to build rooms and other infrastructure. 2. Education - Under this, we renovated more than 20 schools in terms of its infrastructure like classrooms, science labs, libraries, setting up computer labs etc. We have also assisted two major colleges for building new classrooms and other facilities. 3. Social welfare - Under this, we have assisted training of our Olympic athletes, war widows of our soldiers, contributed to Chief Minister Relief Fund for assistance in drought areas, subsidized food for patients and relatives in govt. hospitals, assistance in building centers for meditation etc.
2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?	The programs are undertaken in-house as well as through charitable trusts and NGOs.
3. Have you done any impact assessment of your initiative?	Yes

4. What is your company's direct contribution to community development projects - Amount in INR and the details of the projects undertaken.	₹ 12.36 cr. Details of projects undertaken by the company has been mentioned in point 1 above.
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, all our programs are successfully adopted by the community as the same are done in collaboration with local administration to make it an inclusive process. The people in rural and tribal areas look forward to the camps and plans their activities accordingly to ensure that they and their relatives participate in the activities and take the benefits.

Principle 9

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.	The company has well laid out procedure for handling and investigating product quality complaints that are received from various sources i.e. customers, regulatory agencies, doctors, distributors, suppliers or patient. During FY 2018, total 36 complaints were received. Out of 36 complaints, 30 (83.33%) complaints were investigated satisfactorily and proper actions were taken and responded to complainant. While remaining 6 (16.67%) complaints are under investigation and same will be closed with proper action.
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)	Being pharmaceutical products, Company displays only statutory information as required with respect to product labelling and product information.
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?	Consumer surveys are regularly carried out by the Company at doctor level.

For and on Behalf of Board of Directors,

Mannalal B. Agrawal
Chairman

Mumbai, 2nd May 2018