

LOOKING BEYOND CHALLENGES  
EMBRACING  
TOMORROW

BUSINESS RESPONSIBILITY REPORT 2018-19



# BUSINESS RESPONSIBILITY REPORT

## SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of Company	L24230MH1979PLC022059
2. Name of the Company	Ajanta Pharma Limited
3. Registered address	Ajanta House, Charkop, Kandivli (West), Mumbai - 400067
4. Website	<a href="http://www.ajantapharma.com">www.ajantapharma.com</a>
5. E-mail ID	<a href="mailto:info@ajantapharma.com">info@ajantapharma.com</a>
6. Financial Year reported	1 <sup>st</sup> April 2018 – 31 <sup>st</sup> March 2019
7. Sector(s) that the Company is engaged in (industrial activity code-wise)	Manufacture of Pharmaceutical Formulation products (Code: 21002)
8. List three key products/services that the Company manufactures/provides (as in balance sheet)	Artefan, Met-XL, Softdrops
9. Total number of locations where business activity is undertaken by the Company	<p>a. Number of International Locations: 5 The Company has five foreign subsidiaries (including one step down subsidiary) located in USA, Nigeria, Philippines &amp; Mauritius.</p> <p>b. Number of National Locations:</p> <p>i. Registered &amp; Corporate office located at Kandivli, Mumbai.</p> <p>ii. Manufacturing plants situated at:</p> <p>a. Paithan, Chikalthana, Waluj &amp; Chitegaon in Maharashtra;</p> <p>b. Dahej, Gujarat;</p> <p>c. Guwahati, Assam;</p> <p>d. Pithampur, Madhya Pradesh (Under construction).</p> <p>iii. R&amp;D center situated at Kandivli, Mumbai.</p> <p>iv. Central Warehouses situated at Zirakpur, Chandigarh &amp; Aurangabad, Maharashtra.</p> <p>v. C &amp; 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 (₹)	₹ 17.45 cr.
2. Total Turnover (₹)	₹ 1,772.62 cr. (Standalone)
3. Total profit after taxes (₹)	₹ 391.76 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 <sup>st</sup> March 2019 was ₹ 11.41 cr. which is 2.91% 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 <sup>st</sup> March 2019, the Company has 5 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 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?	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?	✓	✓	✓	✓	✓	✓	-	✓	✓
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.								

@ All the policies are placed on the intranet of the company except CSR policy which is available on <http://www.ajantapharma.com/AdminData/PolicyCodes/CSRPolicy2018.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 at 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
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 FY19 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: <a href="http://www.ajantapharma.com/AnnualReports.aspx">http://www.ajantapharma.com/AnnualReports.aspx</a> The Company does not publish sustainability report.

**SECTION E: PRINCIPLE-WISE PERFORMANCE**

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

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. It does not extend to suppliers/ contractors/ NGOs and others.
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 2019.

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

<p>1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.</p>	<p>Feburic Tablets, Cinod Tablets, Rosutor Tablets. All these tablets have been designed to incorporate saving in water &amp; energy at the manufacturing level.</p>
<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. There are no specific standards to ascertain reduction achieved at product level, as Company manufactures wide range of branded and generics formulations at its manufacturing facilities.</p> <p>b. At consumer level, consumption of energy is not required for our product and consumption of water is also negligible.</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>Company has a well-defined and documented standard operating procedure for selection and approval of its vendors by quality assurance team. Preference is given to local suppliers to reduce transportation and bring sustainable sourcing. Everyone connected with it-designers, producers, value chain members, customers and recyclers are made aware of their responsibilities.</p>
<p>4. Has the company taken any steps to procure goods and services from local &amp; 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 follow a strict sourcing code of conduct with respect to the compliance and quality. Company procures goods and services from local vendors near the manufacturing locations who fulfills the above key criteria of compliance and quality. Procurement of goods from local vendors helps the Company to save on transportation and inventory carrying costs.</p> <p>Company has procedures in place to procure goods and services from local, as well as small producers, wherever feasible. Currently, 90% of company's procurements are sourced from domestic producers and the rest from international producers. Company has dedicated resources assigned to the job of improving capacity and capabilities of local producers. They are made aware of their responsibilities.</p>
<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 &lt;5%, 5-10%, &gt;10%). Also, provide details thereof, in about 50 words or so.</p>	<p>Yes, the Company has a mechanism to recycle or dispose materials including waste in a responsible manner. Waste is segregated into hazardous and non-hazardous waste and managed through a robust waste management system.</p> <ul style="list-style-type: none"> <li>• Hazardous waste is sent to registered recyclers or to CPCB Authorized TSDF (transportation, storage and disposal facilities) for disposal.</li> <li>• Non-hazardous waste such as paper, foils, empty blister is sent to authorized recycler. Other solid waste is recycled through authorized agencies.</li> <li>• Industrial effluents are treated in the effluent treatment plant and sewage is treated in the sewage treatment plant. The treated water is used for maintaining in-house green belt.</li> <li>• Company actively promotes the concept of reuse and recycling. About 85% of the waste water generated in plants, is recovered, recycled and reused thereby reducing usage of fresh water.</li> <li>• Most of the solvents are recycled by disposing them to SPCB approved recycler.</li> </ul>

**Principle 3: Businesses should promote the wellbeing of all employees**

1.	Please indicate the Total number of employees	6,900
2.	Please indicate the Total number of employees hired on temporary /contractual / casual basis	1,375
3.	Please indicate the Number of permanent women employees	516
4.	Please indicate the Number of permanent employees with disabilities	4
5.	Do you have an employee association that is recognized by management	Yes ( 117 permanent workers)
6.	What percentage of your permanent employees is members of this recognized employee association?	1.72%

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	86.69%
	b. Permanent Women Employees	37%
	c. Casual/Temporary/Contractual Employees	100%
	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**

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.	In accordance with the CSR policy of the Company, the Company taking various CSR initiatives in the areas of education, healthcare and community development especially for the disadvantaged, vulnerable and marginalized stakeholders. Preference is also given for sourcing material and services from Micro & small enterprises from underdeveloped regions, wherever feasible.

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

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?	It covers entire Ajanta Pharma Limited group. However, it does not cover suppliers, contractors, NGOs and others.
2.	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	None

**Principle 6: Business should respect, protect, and make efforts to restore the environment**

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 many energy saving initiatives which will contribute to reduce CO2 emissions. Thrust is also placed on using more renewable energy by installing solar power plants at factories and warehouses.
3. Does the company identify and assess potential environmental risks? Y/N	Yes, we identify and assess potential environmental risks and mitigate them 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?	The Company is making efforts on ongoing basis to conserve the energy by adopting alternate renewable sources. Have taken steps to adopt green energy utilization as an alternate source of energy and we are extending solar installation for all locations.
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 have taken steps to adopt green energy utilization and completed installation of 593 KWp and 191 KWp capacity rooftop solar system at two of our factories adding to earlier installation capacity of 254 KWp. We are extending similar installation to other locations.
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. All our stacks, ambient air are regularly monitored by MoEF approved lab and all parameters are maintained within prescribed limits. Company has installed online effluent monitoring facility at one of its location which is directly connected to SPCB /CPCB.
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.	All the notices received during FY 2019 are addressed and have been closed as on end of the year. There are no pending notices from CPCB/SPCB.

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

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:	<ul style="list-style-type: none"> <li>a. Indian Drug Manufacturers Association (IDMA)</li> <li>b. Pharmaceuticals Export Promotion Council of India (PHARMEXCIL)</li> <li>c. Confederation of Indian Industry (CII)</li> <li>d. Federation of Indian Exporters Organisation (FIEO)</li> </ul>
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: Businesses should support inclusive growth and equitable development**

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.	Yes, Company has specified programs and projects in pursuit of this policy. Major focus areas in this regard are: <ul style="list-style-type: none"> <li>• Medical Assistance (Eye Care, Family Planning, Hospital Charges, Subsidized food, Hospital Facility Upgradation, etc.)</li> <li>• Educational Activities in Schools</li> <li>• Improving Education Infrastructure</li> <li>• Community welfare</li> </ul>
2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?	The programs are undertaken by direct contribution 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 ₹ and the details of the projects undertaken.	₹ 11.41 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 plan their activities accordingly to ensure that they and their relatives participate in the activities and take the benefits.

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

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.	Nil
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, 30<sup>th</sup> April 2019