

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 - 400 067
4. Website	www.ajantapharma.com
5. E-mail ID	info@ajantapharma.com
6. Financial Year reported	1 April 2020 – 31 March 2021
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 & Duloxetine capsules
9. Total number of locations where business activity is undertaken by the Company	<p>a. The Company has five foreign subsidiaries (including one step down subsidiary) located in USA, Nigeria, Philippines & Mauritius.</p> <p>b. Number of National Locations:</p> <p>i. Registered & Corporate office located at Kandivli, Mumbai.</p> <p>ii. Manufacturing plants situated at:</p> <p>(a) Paithan, Maharashtra</p> <p>(b) Chikalthana, Maharashtra</p> <p>(c) Waluj, Maharashtra</p> <p>(d) Chitegaon, Maharashtra</p> <p>(e) Dahej, Gujarat</p> <p>(f) Guwahati, Assam</p> <p>(g) Pithampur, Madhya Pradesh</p> <p>iii. R&D centres at Kandivli, Mumbai</p> <p>iv. Central Warehouses situated at Zirakpur, Chandigarh; Siliguri, West Bengal and 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 (₹)	₹ 17.31 cr.
2. Total Turnover (₹)	₹ 2,718.59 cr. (Standalone)
3. Total profit after taxes (₹)	₹ 675.64 cr. (Standalone)
4. Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax	Company's total spending on CSR for the year ended 31 March 2021 was ₹ 12.78 cr. which is 1.89% 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 & Promoting sports</p> <p>d) COVID-19 related medical and other assistance</p>

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SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/Companies?	As on 31 March 2021, 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 business responsibility requirements of 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/Directors responsible for implementation of the BR Policy/policies

DIN Number	00073673
Name	Yogesh M. Agrawal
Designation	Managing Director (MD)

(b) Details of the BR head

No.	Particulars	Details
1.	DIN Number (if applicable)	N.A.
2.	Name	Arvind K. 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 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?	✓	✓	✓	✓	✓	✓	-	✓	✓

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No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
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/CSRPoly2021.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 audit team as mandated by the 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 FY21 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: 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 2021.

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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>	<ol style="list-style-type: none"> 1. Peroduo (anti-acne) 2. Lidocam CT – Sugar free (Opioid & NSAID) 3. Duranzo (Pain Management local anesthetic) 4. Azusa T 8/40 (Antihypertensive) 5. Cardiosel OD (Antihypertensive)
<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> <ol style="list-style-type: none"> a. Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain? b. Reduction during usage by consumers (energy, water) has been achieved since the previous year? 	<ol style="list-style-type: none"> a) Above products do not consume large quantum of energy or water either at production level or at consumer level. b) The company is committed to increasing waste efficiency for all plants and has taken several effective measures to reduce the overall consumption of energy and water.
<p>3. Does the company have procedures in place for sustainable sourcing (including transportation)?</p> <ol style="list-style-type: none"> i. If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so. 	<p>Company places thrust on sustainability, be it in doing business or procuring inputs. As such, all the inputs are sourced sustainably in accordance with Company's business plan. Company has well-defined and documented standard operating procedures for vendor approval. Materials, both local and international are procured from approved vendors audited by quality assurance team.</p> <p>Company is developing alternate reliable vendors, to ensure business continuity. Dedicated resources are involved in building capacity and sharing best practices amongst all its business partners.</p> <p>Annual freight contracts are entered into with leading transporters for smooth and timely movement of materials.</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> <ol style="list-style-type: none"> (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors? 	<p>Company procures most of its goods and services from local and small producers. At present, 90% of its procurements are sourced from domestic producers, with preference to local & MSME vendors.</p> <p>It has dedicated resources who work on improving capacity and capabilities of local and small producers by empowering and guiding them. Training programs and workshops are held from time to time to guide them to adopt best manufacturing and supply practices. Financial assistance and technical guidance is also rendered wherever required.</p>

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<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>Yes, Company has adopted undermentioned measures to recycle wastes generated during manufacturing processes:</p> <ul style="list-style-type: none"> ▶ Reduced overall fresh solvent consumption in its API unit by effective recovery of solvents. ▶ Waste water is treated in ETP/ZLD plants and the treated water is used for maintaining green belt across the site. ▶ Wastes such as used plastics, HDPE drums, shippers, etc. are properly segregated and passed on to pollution control board approved vendors to recycle. ▶ Partially solid organic waste generated during the manufacturing processes is sent to cement industries for co-incineration, thereby reducing carbon footprint. ▶ At API facility, ETP RO plant & evaporator system have been installed to treat effluent and further increase recycle water. ▶ Waste is segregated into hazardous and non-hazardous waste and Hazardous waste is sent to registered recyclers or to CPCB Authorised TSDF (transportation, storage and disposal facilities) or co-processing units for disposal.
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Principle 3: Businesses should promote the wellbeing of all employees

1.	Please indicate the Total number of employees	7,035	
2.	Please indicate the Total number of employees hired on temporary /contractual / casual basis	2,004	
3.	Please indicate the Number of permanent women employees	510	
4.	Please indicate the Number of permanent employees with disabilities	03	
5.	Do you have an employee association that is recognised by management	Yes	
6.	What percentage of your permanent employees is members of this recognised employee association?	1.56%	
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	47%	
(b)	Permanent Women Employees	27%	
(c)	Casual/Temporary/Contractual Employees	76%	
(d)	Employees with Disabilities	67%	
Note: Due to Covid situation, % of training was lower compared to last year			

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

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 & marginalised stakeholders?	Yes
3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalised stakeholders. If so, provide details thereof, in about 50 words or so.	In accordance with the CSR policy of the Company, the Company takes various CSR initiatives in the fields of education, healthcare, community welfare for development & upliftment of the underprivileged sections of the society and sports promotion. 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 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.	Company has a well-defined safety, health and environmental policy. The policy covers the Company, all its subsidiaries, and 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.	Company recognizes its responsibility to address climate change and global warming which are posing long term challenges and ensures the business is run in a socially, ecologically and economically responsible manner to minimize the impact. Company's efforts in this regard are manifested by complying with applicable laws and regulations and taking proactive measures and steps to maintain ecological balance.
3. Does the company identify and assess potential environmental risks? Y/N	Yes, it identifies and assesses potential environmental risks and eliminates such risks through necessary steps & implementations. Every unit or plant has implemented the following elements: <ul style="list-style-type: none">  Identification and evaluation of EHS aspects and requirements  Identification of EHS risks and opportunities  Identification of legal obligations and other requirements  EHS emergency management plan. Once risks are identified, steps are taken to measure and mitigate these risks through the Management System approach.

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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?	Company has taken steps to adopt green energy utilization as an alternate source of energy. It has installed solar plants in most of the plants.
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, company has implemented energy conservation projects across its business units during of the year. It has installed ground mounted solar power plant at its Pithampur facility, which would contribute to save 50% energy charges for operation of that facility. Further it will contribute to reduce carbon footprint annually. The share of renewable energy in its total energy consumption had also increased, solar energy consumption for FY2021 was around 32 Lac kwh, thereby company has reduced carbon emission.
6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?	Air emission levels and waste generated quantity by the company are within permissible limit approved by regulatory authorities. The Company adheres to all applicable environmental laws and regulations. At API site stack is monitored with online continuous emission monitoring system also hooked up with regulator for continuous readings.
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.	There were no show cause/ legal notices in the year 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:	Yes, the Company is members of four associations/chambers. (a) Indian Pharmaceutical Alliance (IPA) (b) Pharmaceuticals Export Promotion Council of India (PHARMEXCIL) (c) Federation of Indian Exporters Organisation (FIEO). (d) Indian Drug Manufacturers' Association (IDMA)
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

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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.	<p>Yes, Company supports programs and projects in pursuit of this policy. Major focus areas in this regard are:</p> <ul style="list-style-type: none">  Medical Assistance (free cataract operations and providing other medical aid)  Providing subsidised food and upgrading hospital facility  Promotion of Education including special Education  Improving Education Infrastructure  Community welfare on various fronts  Promoting sports including nationally recognised sports, paralympic sports and olympic sports
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.
3. Have you done any impact assessment of your initiative?	Yes, by internal teams.
4. What is your company's direct contribution to community development projects - Amount in INR and the details of the projects undertaken.	<p>₹ 12.78 cr.</p> <p>Details of projects undertaken by the company has been mentioned in point 1 above.</p>
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.	<p>Yes, all the programs are successfully adopted by the community as the same are done in collaboration with local administration to make it an inclusive process.</p> <p>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.</p> <p>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.</p> <p>Moreover, impact assessment is done by internal teams to assess whether the benefits are reaching to the right people or not.</p>

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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.	Total 80 complaints were received during FY 2021. Out of these, 74 (92.50%) complaints were satisfactorily resolved by the management while remaining 6 (7.50%) complaints are under investigation and that 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 your Company at doctor level.

For and on behalf of Board of Directors

Mannalal B. Agrawal
Chairman

Mumbai, 30 April 2021