



BUSINESS RESPONSIBILITY REPORT

Section A: General Information about the Company		
1	Corporate Identity Number (CIN) of the Company	L73100GJ2006PLC047837
2	Name of the Company	Sun Pharma Advanced Research Company Limited
3	Registered Address	SPARC, Akota Road, Akota, Vadodara - 390020
4	Website	www.sunpharma.in
5	E-mail id	secretarial@sparcmail.com
6	Financial Year reported	2015-16
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	Pharmaceutical - Research & Drug Discovery
8	List three key products/services that the Company manufactures/provides (as in balance sheet)	Xelpros™, Pegylated Liposomal Doxorubicin
9	Total number of locations where business activity is undertaken by the Company	Total 3 locations - Mahakali-Mumbai, Tandalja and Makarpura-Vadodara
	1. Number of International Locations (Provide details of major 5)	NIL
	2. Number of National Locations	Mumbai, Vadodara
10	Markets served by the Company – Local/State/National/International	N. A.

Section B: Financial Details of the Company		
1	Paid-up Capital (INR in Lakh)	2,366.87
2	Total Turnover (INR in Lakh)	16,421.91
3	Total Profit after Taxes (INR in Lakh)	(6,999.20)
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of Profit after Tax (%)	N. A.*
5	List of activities in which the above expenditure has been incurred	N. A.*

*Note: Since the average net profit of the company made during the three immediately preceding financial years was negative, the Company could not invest on CSR activities during the previous year.

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	a. Details of the Director/Directors responsible for implementation of the BR (Business Responsibility) policy/policies;									
	# DIN Number	00005561								
	# Name	Mr. Sudhir V. Valia								
	# Designation	Director & CFO								
	b. Details of the BR head;									
	# DIN Number (if applicable)	00005561								
	# Name	Mr. Sudhir V. Valia								
	# Designation	Director & CFO								
	# Telephone number	91 22 6645 5645								
	# E-mail id	secretarial@sparcmail.com								
2	Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/policies for	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
2	Has the policy being formulated in consultation with the relevant stakeholders?	All the policies have been formulated in consultation with the Management of the Company and is approved by the Board								
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	All the policies are compliant with the respective principles of NVG guidelines								
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/owner/CEO/ appropriate Board Director?	All the policies have been approved by the Board and 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?	The Board has appointed Mr. Sudhir V. Valia, Director & CFO, to oversee policy implementation								
6	Indicate the link for the policy to be viewed online?	Copies will be made available on receipt of written request from shareholders								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	The policies have been communicated to internal stakeholders. The external stakeholders will be communicated in due course								
8	Does the company have in-house structure to implement the policy/policies?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
9	Does the Company have a grievance redressal mechanism to address stakeholders' grievances related to the policy/policies?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
10	Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	It may be done in due course								

3 Governance related to BR		
1	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO, assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year	Annually
2	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 is published by the Company as a part of its Annual Report on an annual basis and can be accessed through the web link http://www.sunpharma.in/regulatory-compliance.htm

PRINCIPLE 1 – ETHICS, TRANSPARENCY AND ACCOUNTABILITY

Sustainable growth stems from good governance. SPARC's journey of discovery is steered by integrity, transparency and accountability. Be it respecting regulations or embedding consistent value systems, ethical conduct is the backbone of all facets of the company's operations. This 'research with responsibility' approach results in reinforced stakeholder trust and ensures long-term value for all stakeholders. Some of the enablers of good governance include:

Leadership

Our Board of Directors lead by example and guide the company on the path of progress through innovation, fair practices and compliance. A mechanism is in place to set forth policies and review its adherence by the Directors and the employees.

Code of Conduct

Our Code sets forth legal and ethical standards of conduct for all Directors and employees. The aim is to deter wrongdoing and promote practices like:

- Ethical handling of conflicts of interest between personal and professional relationships
- Protection and proper use of corporate assets & confidential Information
- Compliance with governmental laws, rules and regulations
- Prompt internal reporting of violations to an appropriate person

Safeguarding Governance

A whistle blower policy has been formulated to encourage and enable all employees to flag off any potential infractions of the Code of Conduct of the Company, breaches of copyright or patent and alike. In the financial year, no violations were reported.

PRINCIPLE 2 – PRODUCT LIFE CYCLE SUSTAINABILITY

Our approach is to leverage the power of science to make people happy and healthy as well as help the planet breathe easy.

We press into action latest science and delivery technologies to explore unreached territories in therapeutic areas. The objective is to cater to the unmet or inadequately-met patient needs. Be it finding an anticancer drug that targets tumour cells or discovering a glaucoma medicine that needs to be instilled only once a day. In doing this, we take care that our practices are sustainable and our processes have a lighter footprint.

A perfect example is SPARC's novel self-dispersing Nanoparticle technology. Water insoluble anticancers have two issues. Firstly, toxic surfactants often have to be used to solubilise the drug. Secondly, such drugs not only reach the tumour tissues, but also reach and penetrate healthy tissues in the body. Our novel self-dispersing Nanoparticle technology platform addresses these challenges with higher drug localisation into the cancer cells, avoiding use of toxic surfactant and the ability to deliver a higher dose.

Our Swollen Micelle Microemulsion (SMM) technology is for solubilising ophthalmic drugs with limited water solubility or completely insoluble ophthalmic drugs. SMM is a Benzalkonium Chloride (BAK)-free solubilising technology, which eliminates use of toxic BAK known to damage ocular surface on chronic use.

Wrap Matrix TM Technology is a novel oral controlled drug delivery system based on pre-defined, precise and selective surface exposure. The technology provides convenience to the patients by reducing the overall pill burden. At the same time, it has a high drug to excipient ratio ensuring that the size of the tablet is reduced, thereby helping patients to easily swallow the tablet.

Note: As SPARC is an R&D facility, most aspects of product life cycle management are not applicable to our business.

PRINCIPLE 3 – EMPLOYEE WELL-BEING

Employees are the key assets of any organisation, more so in an innovation driven business like ours. Pharma research calls for extensive domain knowledge, technical skills of a high calibre, and passion to make life better.

At SPARC, we nurture the ingenuity of our 250+ scientists by building capabilities, and encouraging them with the right opportunities and the right environment for innovation. We constantly align our HR processes with changing business dynamics and ensure employees well-being by:

- Designing research laboratories and processes with adequate safeguards to ensure operational safety and healthy work environment
- Creating a culture of continuous learning among all our employees.

In the financial year, we invested more than 5,000 hours of learning and developmental activities, taking into fold 58% permanent employees including 39% permanent women employees

- Promoting equality of opportunity and encouraging freedom of communication

We are a close-knit family and regularly engage with our employees to manage their needs and expectations. This is the reason, why our employees have never felt the need to form an employee association.

- Motivating employees with recognition & recreation avenues

Employee Strength

Total number of employees	356
Employees hired on temporary/contractual/casual basis	86
Permanent women employees	74

PRINCIPLE 4 – STAKEHOLDER ENGAGEMENT

We are committed to engage with each stakeholder segment with an aim to consistently align our organisational strategies with our stakeholders' priorities. We pursue this objective by identifying, analysing and addressing their evolving needs, concerns and expectations, including divergent and marginal interests.

The implementation of our Stakeholder Policy is done with integrity, maintaining high standards of transparency and accountability.

The ambit of accountability moves beyond just the customers and investors. We have thus identified all our key stakeholders, internal as well as external:

Employees | Communities | Patients | Healthcare Professionals | Payers, Investors & Shareholders | Regulatory Authorities

We strive to involve each one of them into our decision-making process.

While our company website, annual reports, investor presentations and annual general meetings continue to be our primary source of engagement, we will strive to find new ways to communicate with a broader stakeholder base.

PRINCIPLE 5 – HUMAN RIGHTS

Respecting the dignity of every individual is a moral imperative. At SPARC, we uphold the fundamental rights of a person not just within our organisation, but across our sphere of influence.

We adhere to the following imperatives in letter and spirit:

- Ensure the right to fair wages, freedom of association and collective bargaining
- Open grievance redressal mechanisms to deal with stakeholder concerns on human rights
- Avail a safe working environment, free of discrimination and harassment.
- Strictly condemn child labour, forced labour or any form of involuntary labour; paid or unpaid

In FY 2015-16, we did not receive any complaint from any stakeholder pertaining to human rights violation.

PRINCIPLE 6 – ENVIRONMENT

Natural resource deficiency poses a direct implication on human health. We must mind our action to borrow the least from the Mother Earth. Fortunately, the nature of our business allows us to create more possibilities out of less resources. We are committed to amplify this inherent strength of business by introducing the principles of green chemistry in our laboratory.

Since we are not associated in manufacturing, the potential environmental risks are limited. Still, we have identified possible environmental risks and effective preventive steps as well as actions to be taken, have been implemented.

We comply with all the environmental laws of the land by ensuring resource conservation, use of improved technologies, green processes and continual improvements.

One such initiative is the Company's 'Go Green' initiative, wherein we encourage investors to accept our documents, including Notice of General Meetings and Annual Report, in electronic form instead of physical mode. This has enabled us to save paper and indirectly, trees. Our emissions and waste generation status is well within the permissible limits and we did not receive any notice from CPCB/SPCB in the financial year.

With a view to do our bit, we also have instituted our environment policy.

PRINCIPLE 7 – POLICY ADVOCACY

At heart, SPARC champions the cause of driving effective healthcare via innovation. We collaborate with trade and industry associations, and are members of Indian Merchants Chambers.

PRINCIPLE 8 – INCLUSIVE GROWTH

Any development which is not equitable, will not last long. For the growth to be sustained, it has to be inclusive. At SPARC, we are cognisant of this fact and hence a comprehensive CSR Policy is in place.

Since the average net profit of the Company during the three immediately preceding financial years was negative, we could not invest on CSR activities during the previous year. However, we plan to implement welfare programmes in the future that can usher in sustainable development of the community at large.

PRINCIPLE 9 – CUSTOMER VALUE

We engage with our customers on an on-going basis and maintain clarity in our offerings.

Although we are not required to deal with the end consumers being in the business of innovation, we assume our responsibility towards the patients. Improving the health quotient of the people around the world is our end objective and we pursue it with zealous rigour. Towards this, we have formulated a customer centricity policy stressing on the following principles:

- Focus on patient health, safety and satisfaction at all times
- Follow a sustainable product development cycle which is not just socially responsible, but also ethically robust
- Listen to customers' concerns and address them in a responsive manner

In the financial year, no customer complaint was reported.