

# BUSINESS RESPONSIBILITY REPORT

## SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

- Corporate Identity Number (CIN) of the Company:**  
L73100GJ2006PLC047837
- Name of the Company:** Sun Pharma Advanced Research Company Limited (SPARC)
- Registered address:** Plot No. 5&6/1, Savli G.I.D.C. Estate, Savli – Vadodara Highway, Manjusar - 391775, Vadodara, Gujarat, India
- Website:** <https://www.sparc.life>
- E-mail id:** [secretarial@sparcmail.com](mailto:secretarial@sparcmail.com)
- Financial Year reported:** April 01, 2020 to March 31, 2021
- 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

- List three key products/services that the Company manufactures/provides (as in balance sheet):**  
The Company does not manufacture any products.
- Total number of locations where business activity is undertaken by the Company:**
  - Number of International Locations (Provide details of major 5):** 1
  - Number of National Locations:** 4
- Markets served by the Company – Local/State/National/International:** NA

## SECTION B: FINANCIAL DETAILS OF THE COMPANY

- Paid up Capital (₹ in lakhs):** ₹ 2620.56
- Total Turnover (₹ in lakhs):** ₹ 25,836.96

- Total profit/ (loss) after taxes (₹ in lakhs):** ₹ (15,113.88)
- Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):** NIL\*
- List of activities in which expenditure in 4 above has been incurred:** NA.

\* In view of the negative average net profit of the Company during the three immediately preceding financial years, the Company was not required to spend on CSR activities pursuant to the provisions of the Companies Act, 2013 read with rules made thereunder.

## SECTION C: OTHER DETAILS

- Does the Company have any Subsidiary Company/Companies?:** No
- 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):** NA
- Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company?** No

## SECTION D: BUSINESS RESPONSIBILITY (BR) INFORMATION

- Details of the Director/Directors responsible for implementation of the BR policy/policies
  - DIN: 00005561
  - Name: Sudhir V. Valia
  - Designation: Non- Executive Director
- Details of the BR head

No.	Particulars	Details
1	DIN (if applicable)	03548731
2	Name	Mr. Anil 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:

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

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	Do you have a policy/ policies for:	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy been formulated in consultation with the relevant stakeholders?	Yes. After due consultation with the concerned Management Team, the BR Policy and other related policies have been formulated. Subsequently, the Board of Directors has approved the 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 National Voluntary Guidelines (NVG).								
4	Has the policy been approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Yes. The Board of Directors has approved the policies and they are been signed by the CEO.								
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 of the Company, to oversee policy implementation.								
6	Indicate the link for the policy to be viewed online?	The link to access the policy shall be made available on receipt of written request from a shareholder.								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	The policy has been communicated to relevant internal and external stakeholders.								
8	Does the Company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Yes								
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Yes, by an internal committee.								

(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	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	The Company has not understood the Principles	NA								
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 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 assesses the BR performance of the Company:**

The BR performance of the Company is assessed by the Board annually.

**(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

Yes, BR Report is published annually as part of the annual report. It is available on the Company's website, www.sparc.life at <https://www.sparc.life/announcements-disclosures>.

Company or its clients

- Protect the Company's assets and ensure its proper utilization.
- Considering all statutory compliances as important
- Enable reporting of incidents of infringements or non-compliance, following necessary internal processes and procedures

**Upholding Governance with Whistle-Blower Policy**

The Company's Whistleblower policy clearly mentions the process for reporting violation, breach, non-compliance, infringement, or infraction of the code of conduct. It also precisely states the provision for protection. During the year, no violations to the code of conduct was reported.

**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, 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 1 complaint from a shareholder during the financial year which was satisfactorily resolved.

**SECTION E: PRINCIPLE-WISE PERFORMANCE**

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

SPARC is guided by the values and it aims to pursue growth while keeping responsibilities intact. The focus lies on ensuring organic growth, with a holistic approach. The Company's core values of transparency, integrity, good governance and accountability form the heart of Company's code of conduct and it strives to stand by it at all times. The Company believes in adhering to statutory regulations and it helps the Company to retain stakeholders' trust while creating long term value for them.

The following constitute the Company's guiding principles:

**a. Leading by example**

The responsibility to lead by example lies with the Company's top management and the desire to practice and uphold values and fair business practices is passed on from the top to the bottom of the organizational hierarchy. The Board of Directors plays a key role to set an example for others to follow. The board also emphasizes on adherence to compliance norms set by the Company and facilitating mechanism to review and monitor the business responsibility functions of the Company.

**b. Abiding by a comprehensive Code of Conduct**

The Company has a well-defined code of conduct and its directors and employees operate within this framework. A legal and ethical code guides this framework and is designed to intercept misconduct by clearly highlighting certain practices:

- Resolve conflicts ethically, as a priority over personal and professional relationships.
- Ensure safety of confidential information related to the

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

The Company is consistently trying to find ways to utilize science for improving and enriching human life, to guide them on a path of health and happiness. The Company's expertise and scientific research capabilities enable it to deliver therapeutic solutions that serve a wide range of patient requirements. Treatment and cure for a broad spectrum of healthcare needs are addressed through its research initiatives. In its journey to ensure better healthcare, the Company remains dedicated to pursue sustainability standards across its processes and practices.

Our quest for sustainability can be explained through the following measures:

- **Novel Self-Dispersing Nanoparticle Technology** – To combat the challenges that existed in the water-insoluble anti-cancer medication, the Company pioneered this technology to enable drug localization in cancer cells. It not only stalls the use of toxic surfactant but, provides the added advantage of delivering higher doses of the drug.

- **Lipixelle Technology™** – This helps to overcome the challenge of solubilising ophthalmic drugs without the use of Benzalkonium Chloride (BAK). Lipixelle Technology™ helps to remove the use of toxic BAK, which is known to cause ocular surface damage, if used over long time.
- **Wrap Matrix™ Technology** – It is a proprietary oral drug delivery technology, the use of technology helps in reducing the pill size as the drug to excipient ratio is high. The reduced pill size makes swallowing of tablets easier for patients.

**Note: As the Company does not manufacture any product and primarily focuses on R&D, 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.**

NA

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?

NA

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

NA

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.**

NA

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

NA

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.**

NA

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

1. **Please indicate the Total number of employees:**

410 employees as on March 31, 2021.

2. **Please indicate the Total number of employees hired on temporary/contractual/casual basis:**

Contract basis - 155 (including 3 retainers) as on March 31, 2021.

3. **Please indicate the number of permanent women employees:**

135

4. **Please indicate the number of permanent employees with disabilities:**

0

5. **Do you have an employee association that is recognized by management?**

No

6. **What percentage of your permanent employees is members of this recognized employee association?**

NA

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.**

Nil

8. **What percentage of your under mentioned employees were given safety & skill up- gradation training in the last year?**

(a) Permanent Employees - Behavioral - 77%; Technical - 72%

(b) Permanent Women Employees - Behavioral - 94%; Technical - 89 %

(c) Casual/Temporary/Contractual Employees - Nil

(d) Employees with Disabilities - NA

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

The Company's internal and external stakeholders are classified under the following:

1. Employees
2. Communities
3. Patients
4. Healthcare professionals
5. Payers
6. Regulators
7. Shareholders

The Company is consistently committed to maximize the value creation for its internal as well as external stakeholders. Taking into consideration the expectations of each stakeholder group, deliverables are efficiently mapped, measured and managed to take care of divergent and minority interests. In order to sustain high benchmarks of transparency and accountability, a stakeholder policy has been formulated to ensure 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 & 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.**

NA

**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?**

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 labor, forced labor 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?**

Nil

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

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

Presently It covers only the Company.

**2. Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? If yes, please give hyperlink 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? 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, please give hyperlink for 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 on end of Financial Year.**

Nil

NA

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

To improve the standards of scientific research and innovation in India, the Company actively engages with trade and industry.

**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:**

The Company is a member of IMC Chamber of Commerce & Industry.

**2. Have you advocated/lobbied through above associations for the advancement or improvement of public good?**

Yes

**Principle 8: Businesses should support inclusive growth and equitable development.**

By extending the benefits of better healthcare to a larger group, the Company aims to enable inclusive growth of all its beneficiaries. Our CSR policy clearly resonates this endeavor. However, in the last three years, the Company was not required to spend on in CSR activities owing to operational loss and negative cash flow. Nonetheless, the Company remains focused to bring better healthcare to a larger section of the society.

**1. Does the Company have specified programs/initiatives/projects in pursuit of the policy related to Principle 8?**

No

**2. Are the programs/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?**

NA

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

NA

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

**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**

NA

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

As part of its larger purpose and objective to enrich lives, the Company assumes a responsibility and obligation towards patients, even if it does not engage with its end consumers directly. To fulfil this purpose, the Company follows a customer-centric policy encapsulating certain broader themes:

- Emphasis on health, safety, and satisfaction
- Maintain a socially responsible and ethical product development lifecycle to ensure sustainability
- Prioritize customer feedbacks and address concerns, systematically and effectively

**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?**

NA

**3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**

No

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

No