



BUSINESS RESPONSIBILITY REPORT

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1.	Corporate Identity Number (CIN) of the Company	L24116PB1986PLC007030
2.	Name of the Company	IOL Chemicals and Pharmaceuticals Limited
3.	Registered address	Trident Complex, Raikot Road, Barnala
4.	Website	www.iolcp.com
5.	E-mail id	investor@iolcp.com
6.	Financial Year reported	31 March 2020
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	Pharmaceuticals (code: 21001) Manufacturing of organic chemicals compounds (code: 20119)
8.	List three key products/ services that the Company manufactures/provides (as in balance sheet)	1. Ibuprofen (API) 2. Ethyl Acetate 3. Iso Butyl Benzene
9.	Total number of locations where business activity is undertaken by the Company	3
	a) Number of International Locations (Provide details of major 5)	N.A.
	b) Number of National Locations	3
10.	Markets served by the Company—Local/State/ National/ International	IOLCP's serves Indian and international markets covering about 65 countries including UK, Austria, Belgium, Hungary, Spain, Germany, Italy, Netherlands, Switzerland, Portugal, Poland, Ireland, USA, Australia, Chile, Peru, Brazil, Argentina, Colombia, Mexico, Indonesia, South Korea, Thailand etc. Products are sold primarily to Branded Generic formulators both in India & Overseas.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	Paid up Capital (INR)	57.59 Crore
2.	Total Turnover (INR)	1894.47 Crore
3.	Total profit after taxes (INR)	361.28 Crore
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	1.40% of average net profit for previous three years. The unspent amount of 0.60% (₹ 0.75 Crore) shall be spent during FY 2020-21
5.	List of activities in which expenditure in 4 above has been incurred:	The Report on the CSR activities undertaken by the Company during the financial year 2019-20 is annexed as Annexed to Directors' Report.

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%]	No

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

1.	DIN Number	:	00044068
2.	Name	:	Mr Varinder Gupta
3.	Designation	:	Managing Director

(b) Details of the BR head

No.	Particulars	Details
1	DIN Number (if applicable)	00044068
2	Name	Mr Varinder Gupta
3	Designation	Managing Director
4	Telephone number	+91 161-2225531-35
5	mail id	varindergupta@iolcp.com

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

Principle 1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability
Principle 2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
Principle 3	Businesses should promote the wellbeing of all employees
Principle 4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
Principle 5	Businesses should respect and promote human rights
Principle 6	Business should respect, protect, and make efforts to restore the environment
Principle 7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
Principle 8	Businesses should support inclusive growth and equitable development
Principle 9	Businesses should engage with and provide value to their customers and consumers in a responsible manner

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

No.	Questions	P	P	P	P	P	P	P	P	P
		1	2	3	4	5	6	7	8	9
1	Do you have a policy/policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national /international standards? If yes, specify? (50 words)	NA	NA	NA	NA	NA	NA	NA	NA	NA
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the company have a specified committee of the Board/Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	https://www.iolcp.com/mycgi/iolcp-com/corporate_governance.pl								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
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?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit / evaluation of the working of this policy by an internal or external agency?	The policies are evaluated internally and updated / amended as per the changed business scenario								

(a) 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	P	P	P	P	P	P	P	P
		1	2	3	4	5	6	7	8	9
1	The company has not understood the Principles	Not applicable								
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 to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year**

This BR Report is being presented first time. However from FY 2020-21 frequencies to assess the performance of the BR shall be reported annually next year.

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 Business Responsibility Report is being published first time in the Annual Report 2019-20. The weblink is https://www.iolcp.com/mycgi/iolcp-com/investor_desc.pl#1.

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?**

We have an established Code of Conduct and Whistle-Blower Policy. The Code, policies and standards communicate our zero tolerance approach to ethical violations, and communicate our commitment and requirement for legal compliance and ethical good practice.

Our Code of Conduct describes our approach how we conduct ourselves with each other - our customers, our shareholders, our competitors, our employees, our neighbouring communities, government and our suppliers and contractors.

The Code applies to all Directors and senior management of the Company. The Code provides guidelines for our business to be consistent with the highest standards of business ethics and is intended to assist all employees in meeting the high standards of personal and professional integrity that the Company requires of them.

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 did not receive any complaint from any stakeholder in the past financial year.

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) Ibuprofen
- (b) Ethyl Acetate
- (c) Mono Chloro Acetic Acid and Acetyl Chloride

Ibuprofen Plant is well designed for 100% recycling of solvents with increased recovery percentage by using high efficiency heat exchangers. In Ethyl Acetate product we have reduced effluent discharge by recycling of process water in cooling Towers and the products Mono Chloro Acetic acid and Acetyl Chloride manufactured using dual technology for the production of Mono Chloro Acetic Acid and Acetyl Chloride in a single Plant. **The unit is awarded with National Level Green Chemistry Award for Innovation to use dual technology for the production of Mono Chloro Acetic Acid and Acetyl Chloride in a single Plant by the Govt of India.**

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?

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

The Company has developed a technical, experienced & dedicated Energy cell for Energy conservation. Our main motto is 'Save Energy Save Environment'. Energy Conservation has always been an important management objective. We are aware that conserving energy is desirable not only to reduce costs but also for conserving precious & fast depleting fossil fuel reserves and protecting the environment.

Modernization, Technology, Energy & solvent conservation, Process automation and waste elimination are some of the drivers adopted to drive this journey for continuous improvement, to reach excellence in the field of energy conservation. The Company is committed to produce good quality of product with a mission to reduce the specific energy consumption 5 % every year. The action plans for achieving the target are as follows:

- Adopting best energy management practices.
- Regularly monitoring energy use.
- Reporting quarterly on energy use to staff and at Management Board meetings.
- Ensuring that new appliances, equipment, and building projects are energy efficient.
- Identifying all areas of opportunity for improved energy performance via detailed consultation with staff.
- Facilitate developing and implementing an action plan.
- Checking the effectiveness of the energy saving measures, periodically document any changes in procedures resulting from process improvement, and make comparisons with objectives and targets.
- Continual interaction with the technology suppliers and visits and interaction with best pharma based plants in world and benchmarking various parameters is an on-going exercise.
- Everyday energy consumption is reviewed in daily coordination meeting and corrective actions are taken best achieved consumption is taken as target.

The unit is awarded with the National Energy Conservation Award Consecutively 10 years for 2005 to 2014 and also for the year 2016 by the Ministry of Power, Government of India

3. Does the company have procedures in place for sustainable sourcing (including transportation)?

(a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

The Company does sustainable procurement of its raw materials and mechanism is in place to procure raw materials from different sources considering availability, transportation, requirement of factories etc. This also includes transportation from suppliers to our factories.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

(a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The Company is situated at rural area and over the years the Company has promoted local contractors and service providers, to the best possible extent, by patronizing them to supply / provide different services required by the Company for its day to day administration /operation.

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.

Yes. >10 percent. The Company has been proactively engaged into converting waste/residuals from its manufacturing processes into valuable and useful products thereby not only minimizing the waste generated but also creating a source of revenue to the Company. We recovered HHC from product Iso Butyl Benzene and reuse HHC in furnaces in place of Diesel (HSD), Recovering spent gas from product Iso Butyl Benzene which is used as heating media for thermic fluid. In all units, plants are equipped with solvent recovery systems to recycle all the solvents in same process.

Principle 3

1. **Please indicate the Total number of employees:** 1751 (as on 31st March 2020)
2. **Please indicate the Total number of employees hired on temporary/contractual/ casual basis:** 334
3. **Please indicate the Number of permanent women employees:** 46
4. **Please indicate the Number of permanent employees with disabilities:** Nil
5. **Do you have an employee association that is recognized by management:** Nil
6. **What percentage of your permanent employees is members of this recognized employee association?:** Nil
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	0	0
2	Sexual harassment	0	0
3	Discriminatory employment	0	0

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

- (a) Permanent Employees : 100%
- (b) Permanent Women Employees: 100%
- (c) Casual/Temporary/Contractual Employees: 100%
- (d) Employees with Disabilities: N.A.

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.

Identification of the disadvantaged, vulnerable and marginalised stakeholders is an on-going process. However, we have emphasis on promoting education among children and preventive health care in our nearby communities. We have initiated several programmes for education, health and environment for the benefits of disadvantaged & marginalized stakeholders in the communities.

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.

The Company has supported various programs broadly in the field of education, health care and humanitarian relief. Details of such initiatives supported by the Company are listed at Annual Report on Corporate Social Responsibility (CSR) Activities annexed to the Directors' Report.

Principle 5

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?

The Company has adopted various policies to protect rights of not only its employees but all other stakeholders. The Company discourages its business associates from doing violation of Human Rights.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

The Company did not receive any complaint from shareholder in the past financial year regarding violation of human right.

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.

Policy related to principle -6 covers the company and extends to the contractor and customers.

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.

No

3. Does the company identify and assess potential environmental risks? Y/N

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. Y/N. If yes, please give hyperlink for web page etc.

Yes. Please refer Energy Conservation/Technology Absorption section provided/annexed to the Directors' Report given in Annual Report 2019-20. The hyperlink for webpage is <https://www.iolcp.com/>

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.

No, show cause/ legal notices received

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:

The Company has applied for the membership of PHD Chamber of Commerce.

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)

Not applicable. The Company awaits membership of the above chamber / association.

Principle 8

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

The Company focuses on ethical and transparent business practices, with inclusive community development lying at the core of its social initiatives. The focus of our community investment initiatives is on education, health and environment.

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

Most of our programmes are implemented in-house through our Corporate Social Responsibility team. We also encourage other employees to contribute towards these social initiatives.

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.

The total amount spent on all CSR activities during the FY2020 was ₹ 1.74 crore. The major thrust areas for our programmes are –

- a) Children's Education
- b) Health Programmes for the Community
- c) Sanitation Material – Covid-19

For more details, please refer to Report on CSR activities Annexed to the Directors' Report provided in Annual Report 2020.

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. The activities undertaken by the Company under its CSR program are tracked and followed by our internal team to ensure whether the desired outcomes has been achieved and the benefits to the community is served.

Principle 9

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

None. Customer Complaints, if any are settled immediately on priority basis.

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)

Yes, product label in compliance of prevailing regulatory guidelines. Our products meet all necessary and benchmark national and global regulations, standards and guidelines. This re-emphasizes our capability and commitment to meet world-class standards.

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.

No, there is no such case.

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

Yes. We carry out consumer satisfaction survey every year. We take customer feedback and customers responses on different aspects of service are quantified into measurable terms to improve and compare satisfaction level on a YoY basis.