



Our commitment to inclusive growth

During the year, our CSR initiatives took a LEAP, as we dived into unexplored regions, took up more work in our existing areas of operation and brought about meaningful impact in the lives of a large number of people.



Aurobindo is committed to create a positive change in the environment and the communities we serve, a commitment that ultimately enhances the value of our business. The community development programme revolves around education, rural development, health, sanitation and others.

In 2018-19, we extended our support to the states of Haryana, Odisha, Bihar, Rajasthan, Kerala and Tamil Nadu by taking up various need-based projects. Our team of 11 dedicated members continuously monitored the implementation of

multiple ongoing and new projects taken up by the department. We are humbled to note that our endeavours have touched the lives of 50,000+ students and 67,000 families during the year.

A large proportion of our resources are invested in building social assets such as schools, hospitals and toilets that help improve the quality of life. We have also worked to provide basic amenities such as safe drinking water and nutritious food to various communities.

The key areas of activity of our CSR efforts include:



Promoting quality education



Supporting preventive healthcare and sanitation



Sustaining ecological balance and conserving natural resources



Promoting road safety



Providing safe drinking water



Supporting rural sportspersons

2. Does the Company have strategies/ initiatives to address global environmental issues such as climate change or global warming? Y/N. If yes, please give hyperlink for webpage.

Aurobindo is participating in the "2020 AMR Benchmark" held by Access to Medicine Foundation.

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?

At present the Company does not have any project related to the Clean Development Mechanism.

5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, among other? Y/N. If yes, please give hyperlink for web page etc.

Yes, as part of continuous improvement initiatives, the Company embraced

- Complimented existing solvent recovery plant with a multi effect evaporation system for improved solvent recovery at one of the API Units.
- Embraced a new technology, viz., Membrane Bio Reactor for treatment of wastewater at two of our API manufacturing units. The projects are under installation and will be put to use during 2019-20.

The Company is continuing with established practices of segregation, storage and disposal appropriately to secure landfill facilities or cement units. The organic wastes, liquid and solid, are disposed to cement units for co-processing where the waste serves as an auxiliary fuel for the cement units.

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 pending notices as on 31st March, 2019

Principle 7 – Policy Advocacy

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 various trade bodies and chamber associations in India as follows:

- 1) Export Promotion Council for EOU'S and SEZ'S
- 2) Indian Drug Manufacturers Association

- 3) Indian Chamber of Commerce & Industry
- 4) The Federation TG and AP Chambers of Commerce & Industry (FAPCCI)
- 5) Confederation of Indian Industry
- 6) Andhra Chamber of Commerce
- 7) Bulk Drug Manufacturers Association
- 8) Pharmaceuticals Export Promotion Council of India
- 9) Indo American Chamber of Commerce
- 10) JNPC Manufactures Association
- 11) Telangana Chambers of Commerce and Industry
- 12) Federation of Indian Micro and Small and Medium Enterprises (FIMSE)
- 13) Indo Australian 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)

The Company focusses on the advancement/improvement of public good through our well-defined CSR activities.

Principle 8 – Community Development (CSR)

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

Aurobindo is committed to understand the developmental needs of economically weaker and less privileged sections in India primarily around the operational areas of the Company thus creating a more inclusive and equitable world. Our CSR projects are targeted towards:

- Rural Development, Old Age homes and Animal Welfare
- Preventive Healthcare and Sanitation
- Education
- Road and Public Safety
- Environmental Sustainability
- Rural Sports Promotion

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

The CSR projects are undertaken through our foundation i.e. Aurobindo Pharma Foundation.

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

We review our projects from time to time. Each project has specific deliverables to be met. The internal teams ensure project implementations are undertaken and that the necessary impact is created.

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

No.

5. What is your Company's direct contribution to community development projects- Amount in ₹ and the details of the projects undertaken

Aurobindo has spent ₹466 million on the CSR activities during the year FY2018-19. The amount was spent on areas, as mentioned in point 1.

6. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

The community development program revolves around education, rural development, health, sanitation, among others.

- **Rural Development:** As a part of this initiative, Aurobindo Pharma Foundation has adopted Borapatla village in Telangana state and Peyyalapalem village in Andhra Pradesh state and started various development activities, including setting up solar lights, laying roads, individual house-hold toilets and so on to make these villages as 'Model' villages. Total ~2,512 families will be benefitted out of this initiative.
- **Education:** Long term success of a country lies in the hands of education sector. Rural India which is the backbone for the country still lacks in attracting children towards education due to lack of infrastructure. The foundation has been providing desks, chairs, computers, among others in various government schools located in Andhra Pradesh and Telangana states. The foundation has constructed new government schools and additional classrooms, hostels, toilets as part of 'Swachh Bharath - Swachh Vidyalaya' initiative. This has benefited 82 government schools in Telangana and Andhra Pradesh. The foundation provided nearly 1,400 dual desks and distributed ~47,000 notebooks in both Telugu states.
- **Health and Sanitation:** Aurobindo is always committed to healthier lives. Aurobindo Pharma Foundation has provided required amenities and equipment to many Health Organizations that help poor and needy to get better treatment under a sophisticated environment. The foundation has donated HDR Brachytherapy Equipment to Indian Red Cross Society Cancer Hospital at Nellore in Andhra Pradesh State. Over 2,840 patients have been treated with this equipment during the year. Aurobindo Pharma foundation has constructed 43 blocks of new toilets, repaired and renovated 12 blocks of old toilets for girls and boys across various government schools

and junior colleges in both Telangana states during the year as part of improvement in sanitation.

- **Availability of safe drinking water:** As part of this initiative, the foundation has installed nine Reverse Osmosis (RO) Water Purification Plants with various capacities and continue to maintain 96 other RO plants which were established previously at various places in Andhra Pradesh and Telangana States and constructed RO Water Sheds. It also laid underground pipelines for drinking water purpose and supplying safe drinking water through water tankers across the villages in Andhra Pradesh and Telangana state. A total of 12,365 families are accessing safe drinking water. Aurobindo Pharma Foundation has dug 16 bore wells in both Telangana and Andhra Pradesh states and provided submersible motor pumps and other accessories.

Further details on our CSR projects undertaken during the FY2018-19 are mentioned in a separate section of the Annual Report.

Principle 9 – Customer Value

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

Aurobindo has a well-defined mechanism to handle customer complaints. As on 31st March, 2019 less than 1% of the complaints were pending beyond the acceptable timelines as per the Standard Operating Procedures (SOP).

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)

The product label has to be approved by the regulatory authorities of the country where the product is supposed to be sold. The Company mentions all the product information required by the concerned regulatory agencies.

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.

There are no pending cases as on 31 March 2019.

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

The company has a dedicated team that regularly does face to face review meetings with the customers to understand their needs. These interactions help in getting useful feedback to improve upon the existing processes.

ANNEXURE - 6

Annual Report of Corporate Social Responsibility Activities

1. A brief outline of the Company's Corporate Social Responsibility (CSR) policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes.

The CSR Policy has been placed on the Company's website at: <http://www.aurobindo.com/about-us/governance/governance-policies/>

The Company has established Aurobindo Pharma Foundation for primarily undertaking CSR Activities. Accordingly, the Company has started CSR Activities under the said foundation. Company has undertaken several activities for Promoting Education, Promoting Preventive Health Care, Eradicating Hunger, Poverty & Malnutrition and Preventive Health Care. Making Available Safe Drinking Water, Environment Sustainability, and Ecological Balance & Conservation of Natural Resources, Rural sports and Setting up Old Age Homes etc.

Annual Report on the CSR Activities of the Company during the year are also placed on the Company's website at: <http://www.aurobindo.com/sustainability/>

2. Composition of CSR Committee:

Name	Designation
Mr.K.Nithyananda Reddy	Chairman
Mr. K. Ragunathan	Member
Dr. M.Sivakumaran	Member
Mr.P.Sarath Chandra Reddy	Member

3. Average net profit (as per section 198 of the Companies Act, 2013) for the past three Financial Years:

Particulars	2017-18	2016-17	(₹ in Million) 2015-16
Net Profit as per Section 198 of the Companies Act, 2013 for the preceding three financial years	23,630.1	21,965.3	21,802.4

4. Average net profit for three years

	(₹ in Million)
Average net profit for three years	22,465.9
Prescribed CSR expenditure (2% of Average Net Profit)	449.3
CSR amount unspent as on March 31, 2018	570.3
Total CSR amount available for spending during the financial year 2018-19	1,019.6
Contribution made by the Company to Aurobindo Pharma Foundation for CSR Expenditure during the Financial Year 2018-19	466.0
CSR amount unspent as on March 31, 2019 and carried forward to next year	553.6

	(₹ in Million)
Total amount of CSR activities approved during financial year 2018-19	575.8
Total Amount spent on CSR activities in financial year 2018-19	467.7

Out of total amount of ₹1,019.6 million available for CSR activities, an amount of ₹575.8 million has been approved during the financial year 2018-19 for various CSR activities. Aurobindo Pharma Foundation has spent an amount ₹467.7 million on CSR activities during the financial year 2018-19, the details of which are provided hereunder:

Purposes for which the CSR amount was spent during the financial year 2018-19 are detailed below:

							(₹)
Sl. No.	CSR Project or Activity identified	Sector in which the Project is Covered	Projects or Programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs sub heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
i	Promoting Education	Covered under Schedule VII for items of (ii) & (v) - "Promoting Education"	Local Area & Other Sangareddy, Nagar Kurnool, Nalgonda, Siddipet, Medchal-Malkajigiri, Medak, Rangareddy, Adilabad, Sircilla, Warangal & Hyderabad Districts of Telangana state. Vizianagaram, Srikakulam, Visakhapatnam, Nellore, Chittoor, Guntur, districts of Andhra Pradesh, Nammakal district of Tamilnadu State, Haryana, New Delhi & Bhuvaneswar district of Orissa State.	120,573,512	120,573,512	120,573,512	Direct and through various Implementing agencies like, Kollapur Study and Skill Development Society, Lekhadeep, Guide Indian village Empowerment Foundation, Nemi Foundation, "Sai Seva Sangh", NGO "Ashray-Akruti" NGO, "Jana Vignana Vedika", "Vandemataram Foundation", an NGO "Sri Kalyana Venkateswara Trust", APMAS an NGO.
ii	Promoting Preventive Health care, Sanitation, Road & Safety for Public	Covered under Schedule VII for items of (i) - "Promoting Preventive health care & Sanitation, Road Safety for Public".	Local Area Sangareddy, Mahabubabad, Medak, Medchal-Malkajigiri, Rangareddy, Warangal, Hyderabad Districts of Telangana state. Vizianagaram, Srikakulam, Chittoor, Nellore, Krishna and Visakhapatnam districts of Andhra Pradesh state, Pali district of Rajasthan state.	41,814,286	41,814,286	41,814,286	Direct, and through NGO Grace Cancer Foundation, Aaster Sick Kids Foundation, Commitments Trust, Sri Srinivasa Charitable Trust, Pushpagiri Eye Institute, Direct, Indian Red Cross Society, UCDS NGO, NTR Trust.
iii	Making available of Safe Drinking Water	Covered under Schedule VII for item of (i) - "Making Available Safe drinking water"	Local Area Sangareddy, Nagarkurnool, Nalgonda Districts of Telangana state. Vizianagaram, Nellore and Srikakulam districts of Andhra Pradesh state.	8,546,910	8,546,910	8,546,910	Direct.
iv	Eradicating Hunger, Poverty, Malnutrition and Preventive Health care	Covered under Schedule VII for item of (i) - "Eradicating Hunger, Poverty, Malnutrition, and promoting Preventive Health care"	Local Area & Other Mahboobnagar District of Telangana state. Vizianagaram, Srikakulam Districts of Andhra Pradesh state and Kerala state.	135,087,073	135,087,073	135,087,073	Through Hare Krishna Movement Charitable Foundation, Direct.
v	Promotion of Rural Sports	Covered under Schedule VII for items of (vii) Training to Promote Rural sports, Nationally recognised sports.	Local Area Hyderabad, Sangareddy & Rangareddy District of Telangana state, Chittoor district of Andhra Pradesh state.	3,200,000	3,200,000	3,200,000	Direct, and through Lake View Sports Foundation.

(₹)

Sl. No.	CSR Project or Activity identified	Sector in which the Project is Covered	Projects or Programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs sub heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
vi	Rural Development Projects, Environmental Sustainability, ecological balance & conservation of natural resources & Animal Welfare.	Covered under Schedule VII for items of (ii), (iv) & (vi) Rural Development Projects, Environmental Sustainability, ecological balance & conservation of natural resources & Animal Welfare.	Local Area and other Sangareddy, Rangareddy, Hyderabad, Mahboobanagar District of Telangana State and Nellore, Guntur, Vizianagaram, Visakhapatnam Chittoor and Srikakulam districts of Andhra Pradesh state and New Delhi.	141,278,789	141,278,789	141,278,789	Direct, Prajashakthi Sahitee Samasta, ABV Foundation, and through NGO's "MAS", "Cornell Sathguru Foundation for Development" Green Chemis Tree Foundation, Kendriya Sainik Board.
vii	Setting up of Old age home	Covered under Schedule VII for items of (iii) - "Setting up Old age homes"	Local Area Kurnool District of Andhra Pradesh state.	2,000,000	2,000,000	2,000,000	Direct
viii	CSR Expenditure	CSR Expenditure	Aurobindo Pharma Foundation India Offices and facilities.	15,233,821	15,233,821	15,233,821	Direct
TOTAL				467,734,391	467,734,391	467,734,391	

5. The prescribed CSR funds that could not be spent during the year/previous year(s) have been carried forward for spending on CSR projects. Shortfall in spending the prescribed amounts on CSR projects is mainly due to delay in identification of projects and some of the projects are on-going.
6. We hereby confirm that the Implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

Place: Hyderabad
Date: 28 May 2019

K. Nithyananda Reddy
Chairman of the CSR Committee
DIN: 01284195

N. Govindarajan
Managing Director
DIN: 00050482