



(Effective 11th August, 2017, supersedes the previous version dated 15.03.2017)

Legal Compliance Policy

A framework to ensure that SPIL complies with the provisions of all applicable laws and also tool for the management to ensure that the compliance systems of the company are adequate and operating effectively.

1. SPIL Compliance Policy Statement

Sun Pharmaceutical Industries Ltd. (“**SPIL**” or “**Company**”) is committed to comply with the provisions of all applicable laws and conducts all business activities lawfully and in a manner that is consistent with SPIL’s compliance obligations.

SPIL’s Legal compliance policy establishes the basic principles and commitment to action for SPIL with respect to achieving compliance by:

1. Establishing an adequate system for compliance of laws applicable to SPIL within which SPIL conducts business operations.
2. Devise proper processes to ensure that compliance systems are adequate and operating effectively.
3. Promoting a consistent and comprehensive compliance culture across SPIL.
4. Ensure standards of good corporate governance, compliance and ethics.

2. Scope

Organization - This policy applies to SPIL and its subsidiaries subject to the adoption by the Board of the respective subsidiary company.

People - This policy applies to all Employees of the Company. “Employee” includes Directors of the Company or any person on rolls of the Company including those on deputation, contract, temporary or permanent, probationer, apprentice, trainee, part time employees, consultant or any other person holding any position in the organizational structure of the Company.

Legal obligations – Legal obligation includes, without limitation:

1. Any applicable laws, statutes, rules, regulations, ordinances, orders, codes, guidelines or other legal requirements of any Governmental entity.
2. Contractual Obligations.
3. Conditions of permits, licenses and other forms of authorization.
4. Relevant industry codes and compulsory standards.

3. Policy Overview

SPIL's Legal Compliance Policy is based on best practice standards, Indian regulatory provisions, provisions of laws applicable to the operations of the Company and the principles outlined in major international regulatory standards.

This Legal Compliance Policy is also aligned with SPIL's strategic objectives and the Global Code of Conduct.

4. Compliance Program

SPIL is committed to:

- **Establish and implement** a legal and regulatory compliance program in line with major regulatory standards applicable to the operations of the company anywhere across the world
- **Maintain, monitor and measure** supervision and reporting of the SPIL's compliance program.
- **Continual improvement** and periodical review and assessment of the compliance program.

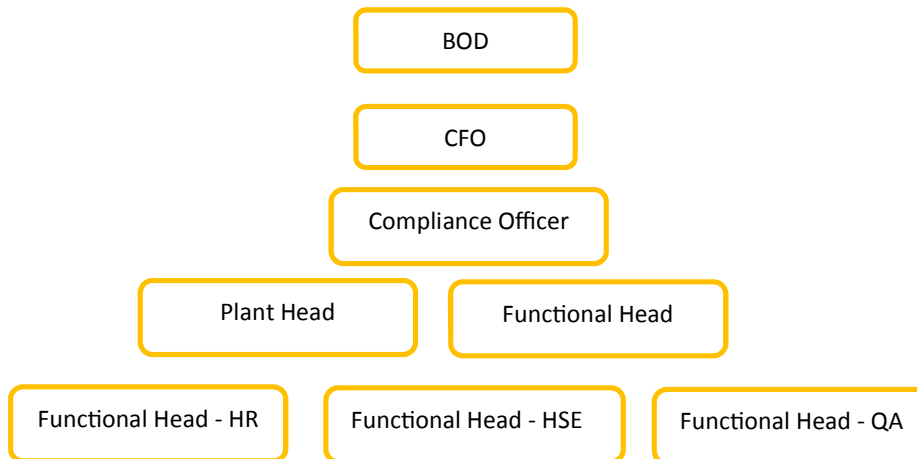
5. Guiding Principles

SPIL's Compliance program is supported by the following Guiding Principles:

1. To establish, maintain and review periodically an effective compliance program which identifies, manages, monitors and measures compliance obligations and compliance performance.
2. To ensure clear accountability for the compliance program, compliance obligations and compliance issues within SPIL.

3. To report to the Board, Audit Committee, CFO (as the case may be) the compliance status of the Company.
4. To encourage and support an effective compliance organizational structure which endorses an ethical and positive compliance culture within SPIL.
5. To take seriously any failure by an individual to comply with SPIL's compliance obligations. Such failure may result into series of consequences including disciplinary action, termination of the employment or termination of contract.
6. To conduct regular training detailing individual responsibilities, communication and reporting.
 - Effective process for identification, assessment, management, review, reporting and monitoring of compliance obligations and issues.
 - Register of compliance obligations actively managed by the Company authorized Employees.
 - Three Lines of Defense for each compliance obligation. **“Three Lines of Defense”** means for each compliance obligation an Employee of the company is responsible (*First Line*) under direct supervision of his reporting manager (*Second Line*) and compliance action of these Employees will be reviewed by the functional heads periodically (*Third Line*).
 - Process of monthly legal compliance certification and quarterly review by the Board regarding the compliance status of the Company.
 - Corporate wide extensive training program.
 - Online monitoring of compliance status by implementation of a suitable compliance tool.
 - Cyclical review of content and the program to continuously identify improvement opportunity.

6. Compliance Reporting/ Certification



- Compliance Officer/CFO/ED will present to the Board, quarterly compliance certificate.
- The quarterly compliance certificate will be prepared based on the compliance certification by all functional heads and plant heads.

7. Responsibilities and Authorities

Board of Directors – The law has entrusted upon the Board of Directors of SPIL the responsibility to devise proper systems to ensure compliance with the provisions of all applicable laws. To review periodically that such systems are adequate and operating effectively, the Board has delegated the responsibility to the Compliance Officer, to review compliance status of the company and to report to the Board on quarterly basis.

CFO - The Chief Financial Officer (CFO) is responsible for the overview of SPIL's compliance system implementation and operation. The CFO is accountable to the Managing Director/ Audit Committee for overseeing the compliance program to ensure the ongoing effectiveness, integrity and relevance of the compliance program to SPIL's operations.



Compliance Officer – The Board of directors of SPIL has designated Mr. Rakesh Sinha, Associate Vice President – Legal as Compliance Officer* with following responsibilities and authorities:

1. The Compliance Officer is responsible to devise proper system to ensure compliance of all laws applicable to SPIL and submit to the Board, report about the current status of the system.
2. The compliance Officer to present / to report to the CFO/ED/Board on quarterly basis a report about adequacy and effective operation of the legal compliance system.

Plant Head/ Business Head/ Functional Head – will be responsible to create responsibility matrix for compliance within their respective unit/department. This includes responsibility to identify the Employee responsible for each applicable compliance requirement.

Employees -

1. Our Employees have a responsibility to ensure that their activities on behalf of SPIL shall comply with all applicable legal and external obligations, SPIL Global Code of Conduct and internal policies.
2. Our Employees are required to:
 - familiarize themselves with SPIL's Legal Compliance Policy and other policies concerning compliance with specific areas of legislation that affect their workplace activities;
 - ensure that they adhere to relevant legislation and their compliance obligations;
 - incorporate compliance management practices into their business units;
 - perform their duties in an ethical, lawful and safe manner;
 - report and escalate all compliance concerns, issues and breaches as required by the compliance program, to their respective Reporting Authority and to the Compliance Officer; and undertake training in accordance with the compliance program.

** Please note that for the purposes of/under (i) Rules, Regulations etc. issued by the Securities Exchange Board of India; (ii) Byelaws, Rules etc. issued by the relevant Stock Exchanges, where the securities of the Company are listed; and (iii) provisions under the Companies Act, 2013 and Rules, Regulations etc. made thereunder, Mr. Ashok Bhuta, Senior General Manager (Secretarial) and Mr. Sunil Ajmera, Company Secretary, continue to remain the Compliance Officers.*