Cipla

90 YEARS

Caring For Life

Cipla Limited Annual Report 2024-25

Table of Contents

02-133

Corporate Overview & Integrated Report

134-229

Statutory Reports

230-417

Financial Statements

Scan this code with a QR reader app on your smartphone or tablet and know more about us

Caring For Life

Cipla's journey began in 1935 with the purpose of making healthcare accessible to all. A compassionate approach to medicine and healthcare that goes beyond the pursuit of profit and growth - this has been Cipla's history for 90 years. Whether it is making India self-reliant in healthcare, supplying affordable drugs for potentially life-threatening diseases such as HIV/AIDS and malaria, or supporting initiatives like the Cipla Palliative Care & Training Centre - all our actions embody this mission.

This landmark year is more than just a celebration of time. It's a tribute to a legacy of compassion, care, innovation and commitment to patients. At the heart of this legacy is Dr Y K Hamied, whose vision and scientific spirit continue to inspire generations. He remains the driving force behind Cipla's enduring impact. As we unveil this year's Annual Report, we pay a tribute to the handwritten chemistry notes of Dr Hamied – a symbol of Cipla's roots in science and service.

Behind every breakthrough and every life touched, Cipla has remained steadfast in its belief that healthcare is a right, not a privilege. Our rich legacy continues to fuel our drive towards a future focused on patient needs, relentless innovation and making a tangible difference in the world, for every single patient.

90 years on, our purpose remains unchanged: **Caring for Life**.

About this Report

Welcoming our stakeholders to the Integrated Annual Report for FY 2024-25

We are pleased to share our eighth Integrated Annual Report, which provides a comprehensive overview of our financial and non-financial performance. This report includes both qualitative and quantitative insights into our strategic initiatives, governance practices, environmental stewardship and social responsibility efforts, among others. By integrating these critical aspects of our operations, we aim to offer our stakeholders a deeper understanding of our value-creation process. In navigating the complexities of today's dynamic business environment, we remain committed to delivering long-term value to our stakeholders while making a positive impact in the communities where we operate.

Our reporting guidelines

Our Integrated Reporting process is guided by the principles and content element of the International Integrated Reporting Council's (IIRC) International Integrated Reporting <IR> Framework. We have also aligned our report with some of the leading global standards and drawn inspiration from the best practices in financial and non-financial reporting observed globally.

This report has been prepared in accordance with the Global Reporting Initiative ('GRI') Standards, 2021. We have also mapped our initiatives, practices and policies with the United Nations Sustainable Development Goals. The financial and statutory information contained in this report has been prepared in accordance with the requirements of the Companies Act, 2013, the Indian Accounting Standards, the Secretarial Standards, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable laws and regulations.

Our core elements to enhance value creation

This report presents a thorough overview of our business model, organisational strategies and governance mechanisms concerning key topics that hold significant relevance for both our organisation and our stakeholders.

Additionally, it highlights our financial and non-financial performance across the six resource capitals of the <IR> Framework, providing a foundation for understanding how our organisation creates and delivers value.

Financial Capital

Manufactured Capital

Intellectual Capital

Human Capital

Social & Relationship Capital

Natural Capital

Reporting boundary & scope[1]

This report presents information on financial and non-financial performance of Cipla's global operations for the period 1st April, 2024 to 31st March, 2025.

List of entities included in our financial reporting have been provided on page no. 325 of this report. Our non-financial reporting includes only our subsidiaries. Any specific exclusions are provided in respective sections.

Responsibility statement[2]

The Board firmly believes that the report provides an accurate and unbiased overview of the Company's financial, sustainability and operational performance, covering all significant matters relevant to the Company in FY 2024-25 and beyond. The Board recognises that the report's contents were created by different functions and business units with the Management Council's direction.

Assurance[3]

Assurance on financial statements has been provided by our statutory auditor- Walker Chandiok & Co LLP on page no. 231 and 317 of this report. Non-financial information has been independently assured by DNV Business Assurance India Private Limited which can be found on page no. 418 and 423 of this report.

Feedback[4]

We take this opportunity to thank all our stakeholders for their interest in our Company and its performance. We greatly value your feedback on this report and encourage you to write to us.

Stakeholder feedback can be sent to:
Name: Mr Rajendra Chopra
Designation: Company Secretary
E-mail: cosecretary@cipla.com
Telephone: +91 22 41916000

[1]GRI 2-2, GRI 2-3 and Information in line with BRSR Question no. 13 of Section A
[2]GRI 2-14
[3]GRI 2-5
[4]GRI 2-3

About Cipla[1]

Founded in 1935, Cipla is a global pharmaceutical company dedicated to making medicines accessible to those in need.

We proudly stand as the third-largest pharmaceutical company in India[2] and hold second position in the prescription market in South Africa[3]. Additionally, we rank as the second-largest Indian exporter to emerging markets[4], the seventh-largest Indian exporter to Europe[4] and the fourth largest by prescription for Generic inhalation products in the US[5]. Our 46 manufacturing sites worldwide produce over 50 dosage forms and more than 1,500 products, utilising advanced technology platforms to serve 74 markets[6].

Our diverse product portfolio includes complex Generics and medications in key therapeutic areas such as respiratory, anti-retroviral, urology, cardiology, anti-infectives, Central Nervous System ("CNS") and more. We remain committed to advancing our innovation capabilities by harnessing data science and digital technology in our R&D efforts. With a rich array of offerings, we are enhancing our presence in our home markets of India, South Africa, North America and other significant regulated and emerging markets.

For around nine decades, the driving force behind Cipla's work has been making a difference for patients. Our groundbreaking introduction of triple anti-retroviral therapy for HIV/AIDS at less than a dollar per day in Africa in 2001 is widely recognised for promoting inclusiveness, affordability and accessibility at the heart of the HIV movement.

Our commitment to efficient resource utilisation, enhancing medicine availability and our robust financial performance collectively lay a strong foundation for responsible business practices and sustainable growth. As a responsible corporate citizen and a preferred partner for global health organisations, peers and all stakeholders, we uphold a humanitarian approach to healthcare, rooted in our mission of 'Caring for Life' through strong community connections.

For more details, please visit www.cipla.com or click on , and channels.

[1] GRI 2-1, GRI 2-6
[2] IQVIA MAT March 2025
[3] IQVIA MAT February 2025
[4] EXIM FY 2025
[5] IQVIA TRx MAT March 2025
[6] Represent countries/markets where sales are more than USD 0.5 million

Cipla

OneCipla Credo

PURPOSE - INSPIRED
RESPONSIBILITY - CENTERED
INNOVATION - DRIVEN
EXCELLENCE - FOCUSSED
INTEGRITY & TRUST - ANCHORED

global pharmaceutical firm that consistently Cares for Life and delivers on its commitment to all our stakeholders - patients, doctors, healthcare professionals, regulators, customers, partners, employees, investors and community.

This is our **OneCipla Credo**

OUR WINNING ASPIRATION

OUR FIRST PRINCIPLES

CIPLA LEADERSHIP ESSENTIALS

PATIENTS

- Focus on impact, and double the number of patients we serve globally
- Transform to be an innovation-led enterprise focusing on unmet patient needs

LEADERSHIP IN CORE MARKETS

- Be among the top 3 in home markets and legacy emerging markets
- Be among the fastest growing in emerging economies and Speciality business

COMMERCIAL EXCELLENCE

- Accelerated revenue growth and sustainable margin expansion

COLLABORATE TO SUCCEED

INNOVATE TO EXCEL

PERFORM WITH ACCOUNTABILITY

LEAD WITH EMPATHY

ACT WITH AGILITY

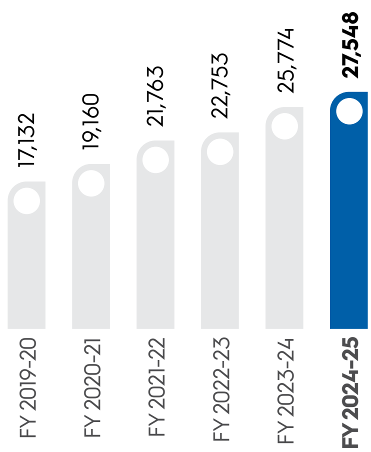
Financial Highlights

Revenue from Operations

(in ₹ crores)

10%

5 year CAGR

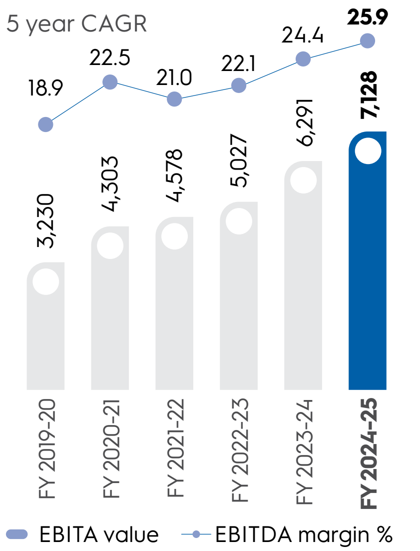


EBITDA and EBITDA margin[1]

(in ₹ crores)

17%

5 year CAGR

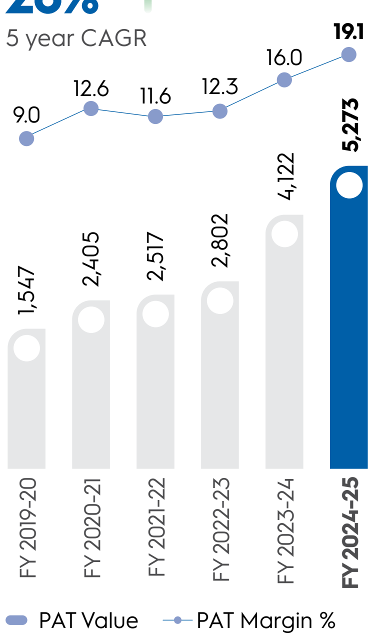


PAT and PAT Margin[2]

(in ₹ crores)

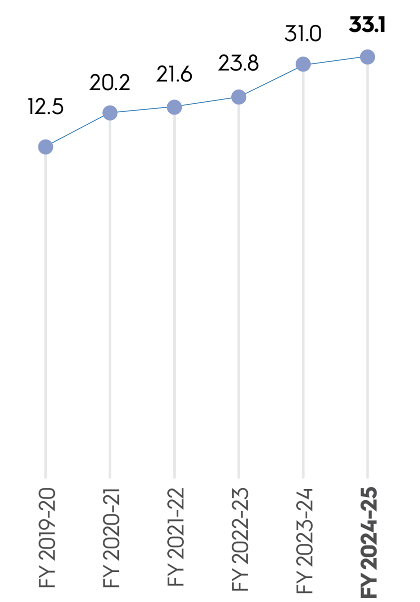
28%

5 year CAGR



Return on Invested Capital (RoIC)[3]

(in %)



FY 2024-25

Revenue

7%

YoY growth

EBITDA Margin

25.9%

PAT Margin

19.1%

ROIC

208 BPS

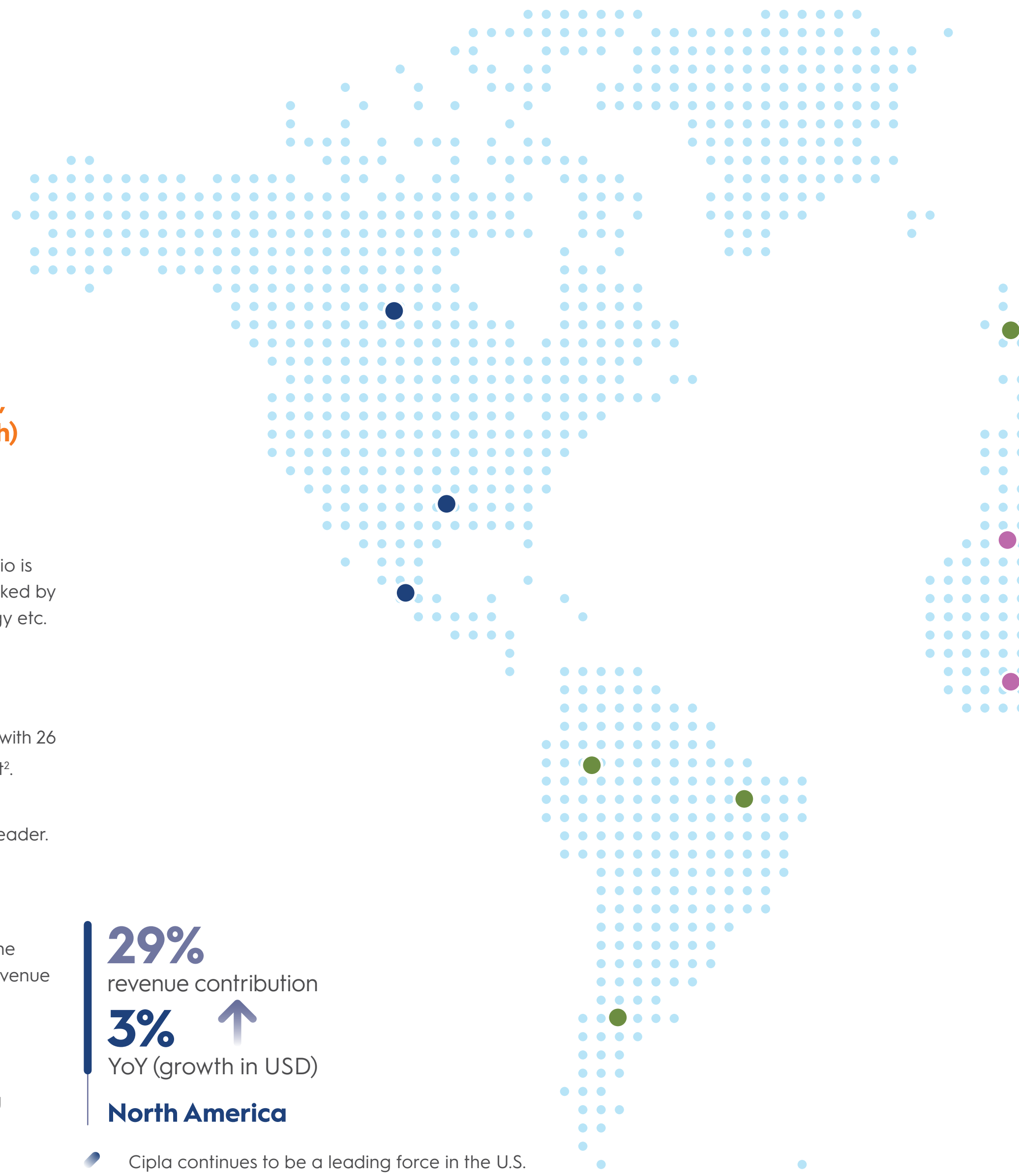
YoY growth

[1] EBITDA = Revenue from Operations - (Cost of Material Consumed + Purchase of Stock-in-Trade + Changes in inventory of Finished Goods, Work-in-Progress and Stock-in-Trade + Employee Benefits Expense + Other Expenses) I FY 2020-21 includes one-time income from a litigation settlement I FY 2021-22 and FY 2022-23 includes one-time covid inventory provision and other charges

[2] Net profit after tax attributable to shareholders for FY 2021-22, FY 2022-23 and FY 2023-24 includes one-time impact of impairments

[3] RoIC = EBITDA - depreciation & amortisation ÷ Average [(Fixed assets including goodwill + Current assets excluding cash and cash equivalent) - Current liabilities excluding borrowing)]

Global Reach[1]



42%
revenue contribution

7% ↑
YoY (growth in ₹)

One-India (Branded prescription, trade generics & consumer health)

1. India Branded Prescription

- Continued to outpace market growth in key therapies.
- The market[2] share of chronic in overall portfolio is improved to 61.5%. Expansion was largely backed by key therapies like Respiratory, Cardiac, Urology etc.
- Adding a niche set of innovative products like Inhaled insulin, Plazomicin, etc. to bolster the portfolio.
- Continuous rigor on making big brands bigger with 26 brands crossing ₹ 100 Crores mark in the market[2].
- Foracort surpassed the ₹ 900 crore milestone, further cementing its position as the market[2] leader.

2. India Trade Generics

- Largest Trade Generic business in India with the focus on building big brands; 7 brands with revenue greater than ₹ 50 Crores.
- Expanding portfolio breadth with 19 new launches during the year.
- Deepening connects with channel by entering tier 2 to tier 6 cities complemented by expanding retail taskforce.
- Changed the distribution model for consolidating the channel and increasing direct touchpoints.

3. India Consumer Health

- Continuous focus on strengthening the consumer health business by maintaining the brand equity of top brands.
- Nicotex[3], Omnigel[4] and Cipladine[4] ranked #1 in the market.
- Continued to drive illness to wellness theme led by brand building initiatives, deepening distribution and category innovations.
- Strong emphasis on improving EBITDA margins.

29%
revenue contribution

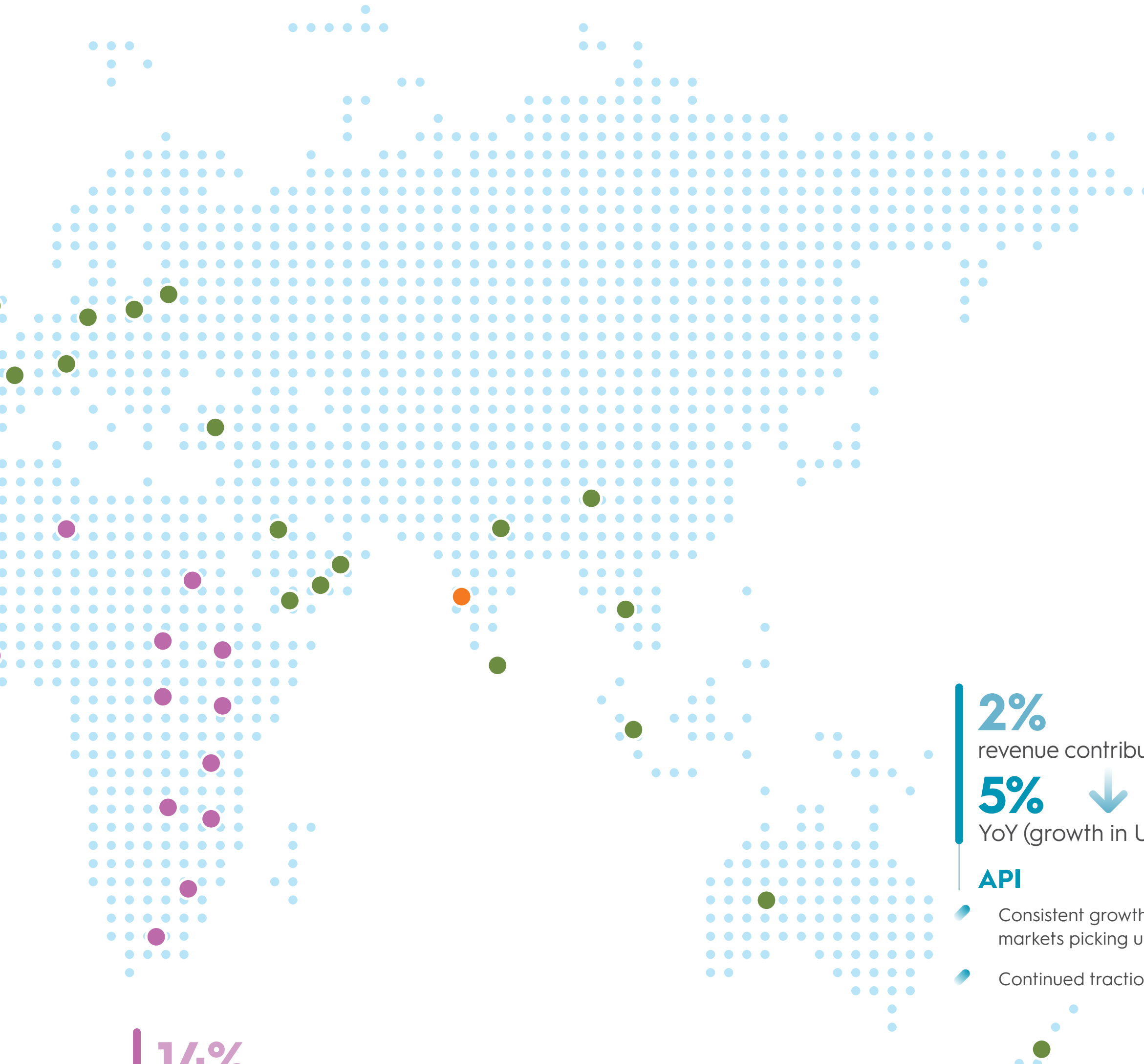
3% ↑
YoY (growth in USD)

North America

- Cipla continues to be a leading force in the U.S. generic market, holding a 1.66% EUTRx share[5]
- Reported all-time high annual revenue of USD 934 Million.
- Respiratory portfolio continues to hold a significant share, while contribution from peptide portfolio has led to growth in our base business.
- Received various generic drug approval during the year, major ones being Lanreotide ANDA, Nilotinib (NDA) and Nano-Paclitaxel (ANDA).
- Filed 6 Respiratory assets including gSymbicort and gQvar. In peptides and complex generics, 9 assets filed with few launches projected between FY 2025-26 and FY 2027-28. The business is targeting to launch 2-3 peptide assets in FY 2025-26.

---

[1]GRI 2-1, GRI 2-6
[2]India & SA: Market share data and rankings as per IQVIA MAT March 2025 I One Africa total revenue growth is Ex-QCIL
[3]Market data as per IQVIA March 2025
[4]Market data as per AC Neilsen March 2025
[5]North America: Market data as per IQVIA TRx MAT March 2025



2%
revenue contribution

5%
YoY (growth in USD)

API

- Consistent growth in emerging markets; European markets picking up.
- Continued traction in global seeding and lock-ins.

14%
revenue contribution

12%
YoY (growth in USD)

One Africa (South Africa, Sub-Saharan Africa, North Africa and Cipla Global Access)

- Second largest player in the pharma prescription market[2] by consistently outpacing market growth from past few years.
- Cipla's private market business continues to outperform the market[2] with a growth of 6.7% growing at ~1.3x faster than the market with healthy performance across key therapies like Respiratory, CNS and Anti-infectives.
- 18 new brands were launched in the market across multiple therapies during the financial year.
- The private market business share is 77% in South Africa Overall market.

12%
revenue contribution

15%
YoY (growth in USD)

Emerging Markets and Europe

- Ranked # 3 in Sri Lanka and # 9 in Nepal Pharma Market[6].
- Lung leadership in focused Direct to Market (DTM)[7] (Nepal, Sri Lanka and UAE).
- Oncology and respiratory product filings & launch in Emerging and European markets to strengthen future pipeline.
- Continued focus on organic growth, partnerships and performance of new launches.

[6] Market data as per IQVIA MAT February 2025
[7] Market data as per IQVIA MAT December 2024
Note: Balance % contribution to sales over and above the geographies mentioned pertains to other operating income I Figures have been rounded-off.

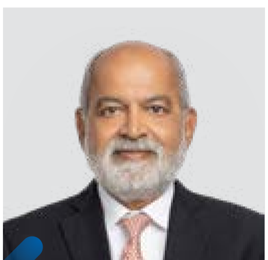
Board of Directors

Dr Y K Hamied
Chairman

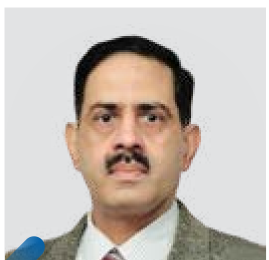
Mr Kamil Hamied
Non-Executive Non-Independent Director

Mr Umang Vohra
Managing Director and Global Chief Executive Officer

Mr Abhijit Joshi
Non-Executive Non-Independent Director



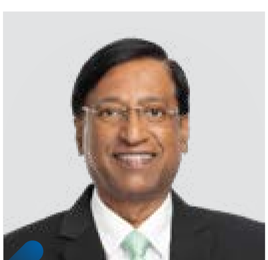
Mr Adil Zainulbhai
Non-Executive Non- Independent Director



Dr Balram Bhargava
Independent Director

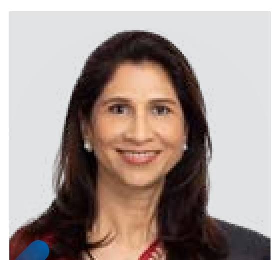
Dr Mandar Vaidya
Independent Director

Ms Maya Hari
Independent Director



Mr P R Ramesh
Independent Director

Mr Robert Stewart
Independent Director



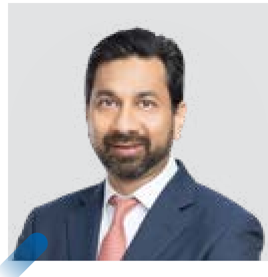
Ms Sharmila Paranjpe
Independent Director

Committees	Chairperson	Member
Audit Committee	■	□
Nomination and Remuneration Committee	■	□
Investment and Risk Management Committee	■	□
Stakeholders Relationship Committee	■	□
Corporate Social Responsibility Committee	■	□
Operations and Administrative Committee	■	□

Management Council

Mr Umang Vohra
Managing Director and Global Chief Executive Officer

Mr Achin Gupta
Global Chief Operating Officer



Mr Ashish Adukia
Global Chief Financial Officer

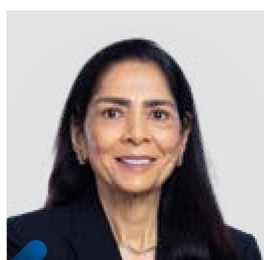
Dr Raju Mistry
Global Chief People Officer

Mr Paul Miller
CEO Cipla South Africa & Regional Head Africa and Access

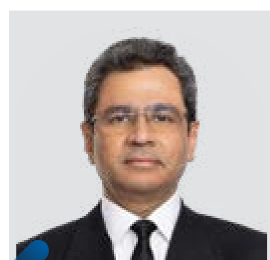
Mr Swapn Malpani
CEO – Emerging Markets and Europe

Mr Marc Falkin
CEO – North America

Mr Pradeep Bhadauria
Global Chief Scientific Officer

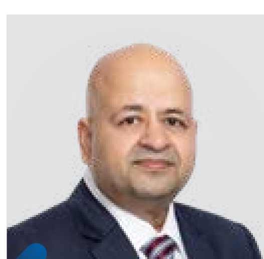


Ms Sneha Hiranandani
Chief Information Officer



Dr Jaideep Gogtay
Global Chief Medical Officer

Mr Sai Mungara
Global Head Supply Chain



Mr Vijayasarathi Ramaswami
Global Head of Quality

Mr Prabhakaran Balakrishnan Nair
Global Chief Manufacturing Officer

Ten-Year Highlights[1]

Consolidated

(₹ in crores)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Income Statement Data										
Revenue from operation	27,548	25,774	22,753	21,763	19,160	17,132	16,362	15,219	14,630	13,790
Profit for the year^	5,273	4,122	2,802	2,517	2,405	1,547	1,528	1,411	1,006	1,360
Dividend	1,050*	686	404	403	-	564^^	242	161	161	161
Balance Sheet Data										
Total equity attributable to owners	31,193	26,706	23,408	20,842	18,327	15,763	15,012	14,229	12,525	11,516
Property, plant and equipment - Net block	4,814	4,642	4,584	4,839	4,618	4,805	5,114	5,315	5,009	4,605
Cash and cash equivalents#	10,807	8,267	6,273	4,965	3,756	2,018	2,747	2,074	1,463	1,458
Total Debt	80	247	520	824	1,756	2,816	4,316	4,098	4,113	5,192
Additional Data										
Earnings per share - Diluted(₹)	65.24	51.01	34.69	31.17	29.79	19.16	18.93	17.50	12.50	16.89

[1]GRI 2-6

^ profit after tax attributable to the shareholders
# includes cash and cash equivalents including fixed deposits, current investments, margin deposits and excluding unclaimed dividend balances
^^ includes interim dividend for FY 2019-20

* includes Special dividend for FY 2024-25

Corporate Information[1]

Founder

Dr K A Hamied
(1898-1972)

Chairman

Dr Y K Hamied

Non-Executive Non-Independent Directors

Mr Kamil Hamied
Mr Adil Zainulbhai
Mr Abhijit Joshi

Managing Director and Global Chief Executive Officer

Mr Umang Vohra

Independent Directors

Dr Balram Bhargava
Dr Mandar Vaidya
Ms Maya Hari
Mr P R Ramesh
Mr Robert Stewart
Ms Sharmila Paranjpe

Global Chief Financial Officer

Mr Ashish Adukia

Company Secretary and Compliance Officer

Mr Rajendra Chopra

Statutory Auditor

M/s Walker Chandiok & Co LLP

Chief Internal Auditor

Mr Deepak Viegas

Secretarial Auditor

M/s BNP & Associates

Cost Auditor

M/s Joshi Apte & Associates

Corporate Identity Number

L24239MH1935PLC002380

Registered Office

Cipla House
Peninsula Business Park,
Ganpatrao Kadam Marg,
Lower Parel, Mumbai – 400 013,
Maharashtra
Tel. No.: +91 22 41916000
Fax No.: +91 22 41916120
Email id: cosecretary@cipla.com
Website: www.cipla.com

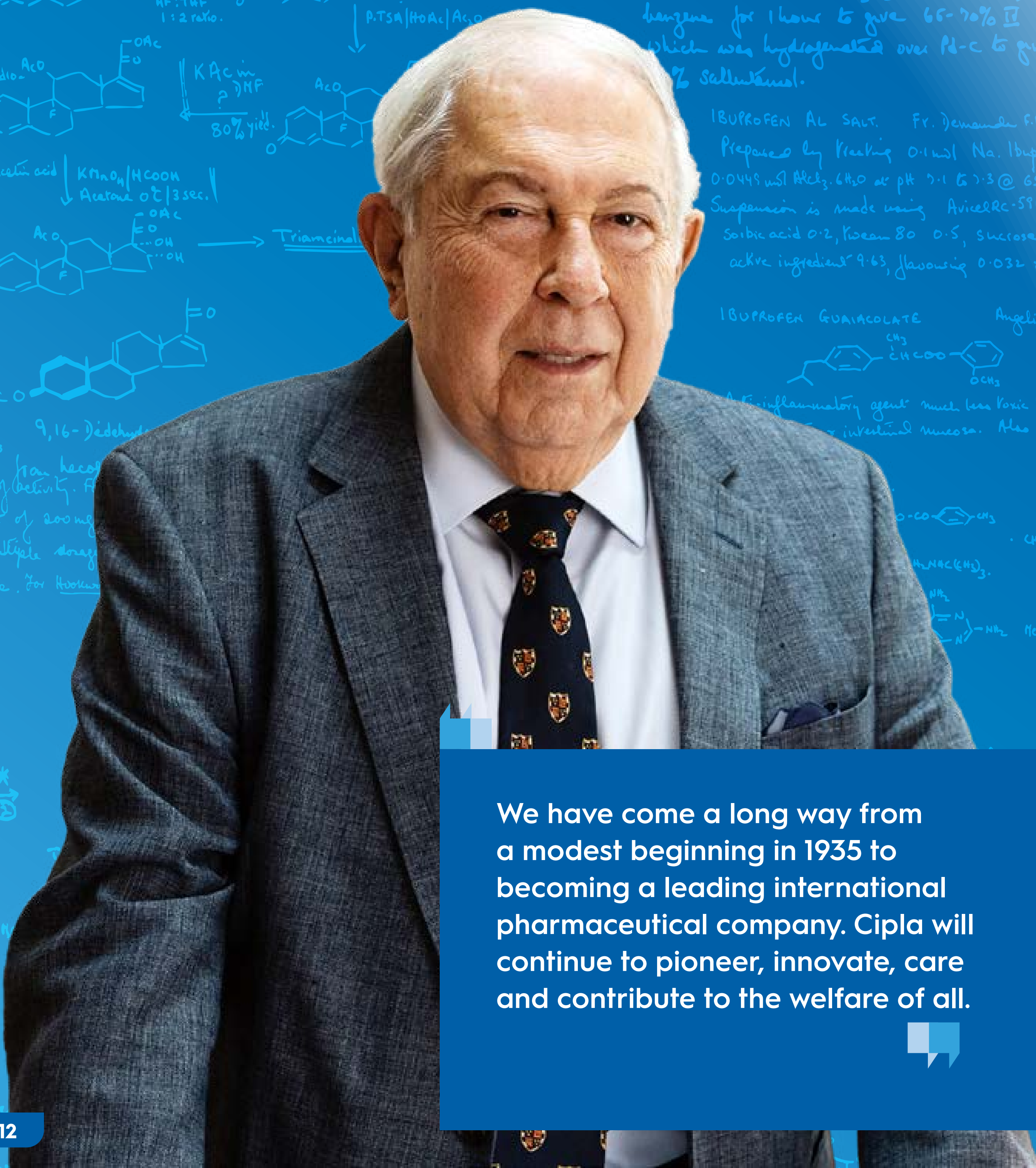
/ Cipla_Global
/ Cipla
/ Cipla

Registrar and Share Transfer Agent

KFin Technologies Limited
(Unit: Cipla Limited)
Selenium, Tower B, Plot No. 31 & 32,
Gachibowli, Financial District, Nanakramguda,
Serilingampally, Hyderabad – 500 032, Telangana
Tel. No.: +91 40 6716 2222 / 79611000
Email id: einward.ris@kfintech.com
Website: www.kfintech.com

[1]GRI 2-1

Chairman's Message



> We have come a long way from a modest beginning in 1935 to becoming a leading international pharmaceutical company. Cipla will continue to pioneer, innovate, care and contribute to the welfare of all.

Dear Shareholders,

On 17th August, 1935, our founder, Dr K A Hamied, established the Chemical, Industrial & Pharmaceutical Laboratories Ltd. with a vision, determination and a deep empathy for humanity. The company was later renamed 'Cipla'. Over the decades, Cipla has provided access to affordable, high-quality medicines - not only in India, but globally.

Today, Cipla remains fully committed to its purpose of 'Caring for Life'. In 2025, we proudly complete nine decades of service to society. Throughout this journey, Cipla has consistently prioritised science, R&D and innovation, while maintaining a humanitarian approach to its business. From humble beginnings, Cipla has grown into one of India's leading pharmaceutical companies. Our purpose reflects our core belief, "Success does not make a company great. What really matters is its contribution to society and improving the lives of our fellowmen."

The Cipla journey has travelled side by side with my own life, as I will soon turn 90 in mid-2026. I have been involved with the Company virtually since inception. It has been a long and arduous association, but at the same time very fruitful. In all humility, I feel extremely proud of my years in Cipla and my own personal role in Cipla's evolution.

There are two words I would like to share with everyone. The first is "Imagination", a quality that differentiates people, especially scientists. The second and perhaps more important, is "Enthusiasm", the passion for what one is pursuing in life, is what really matters. Even after nearly 70 years in the pharmaceutical industry, I am still deeply enthusiastic, particularly in the areas of R&D, new product launches and future innovations. All of this is aimed towards Cipla's progress and growth, as also to help communities and alleviate the sufferings of patients.

Cipla's endeavour has always been 'Caring for Life' and therefore, each one of you, our shareholders, indirectly contribute to this mission. Our respiratory portfolio helps millions breathe freely. The anti-retroviral drugs made by us have saved innumerable lives of those suffering from HIV/AIDS, essentially in Africa. Cipla provides care when there is no cure. Via its Palliative Care initiatives, Cipla has supported thousands of patients and their families in India over the past three decades. I would like to reiterate that Cipla's purpose is not only business-driven, but also has a humanitarian approach. We strive to make a meaningful impact towards the healthcare needs of society. We want to contribute to newer technologies, advanced medication, so that we can expand our product portfolio to enable a better quality of life for everyone.

The intrinsic strength of Cipla lies in its people, both past and present. From a small team in our early years, we now have a global workforce of nearly 30,000. I feel proud to share that the dedication, passion, resilience and sense of purpose shown by one and all, has been ongoing over the years and we all uphold the strong values on which our Company has been built. The accomplishments we have achieved so far are a testament to the unwavering support we have received, both in the past and present, as also the collaborative spirit of all our partners including the invaluable support that we continue to receive from the medical community and pharmacies. We also have to acknowledge the strategic guidance of our Company's Management team, the Cipla Board of Directors and above all, the trust and faith our shareholders have in our Company. To one and all, I extend my personal appreciation, as also that of Cipla.

We have come a long way from a modest beginning in 1935 to becoming a leading international pharmaceutical company. Cipla will continue to pioneer, innovate, care and contribute to the welfare of all. Hopefully, Cipla will preserve and uphold its legacy in the years ahead and continue its strategic progress and growth in the future.

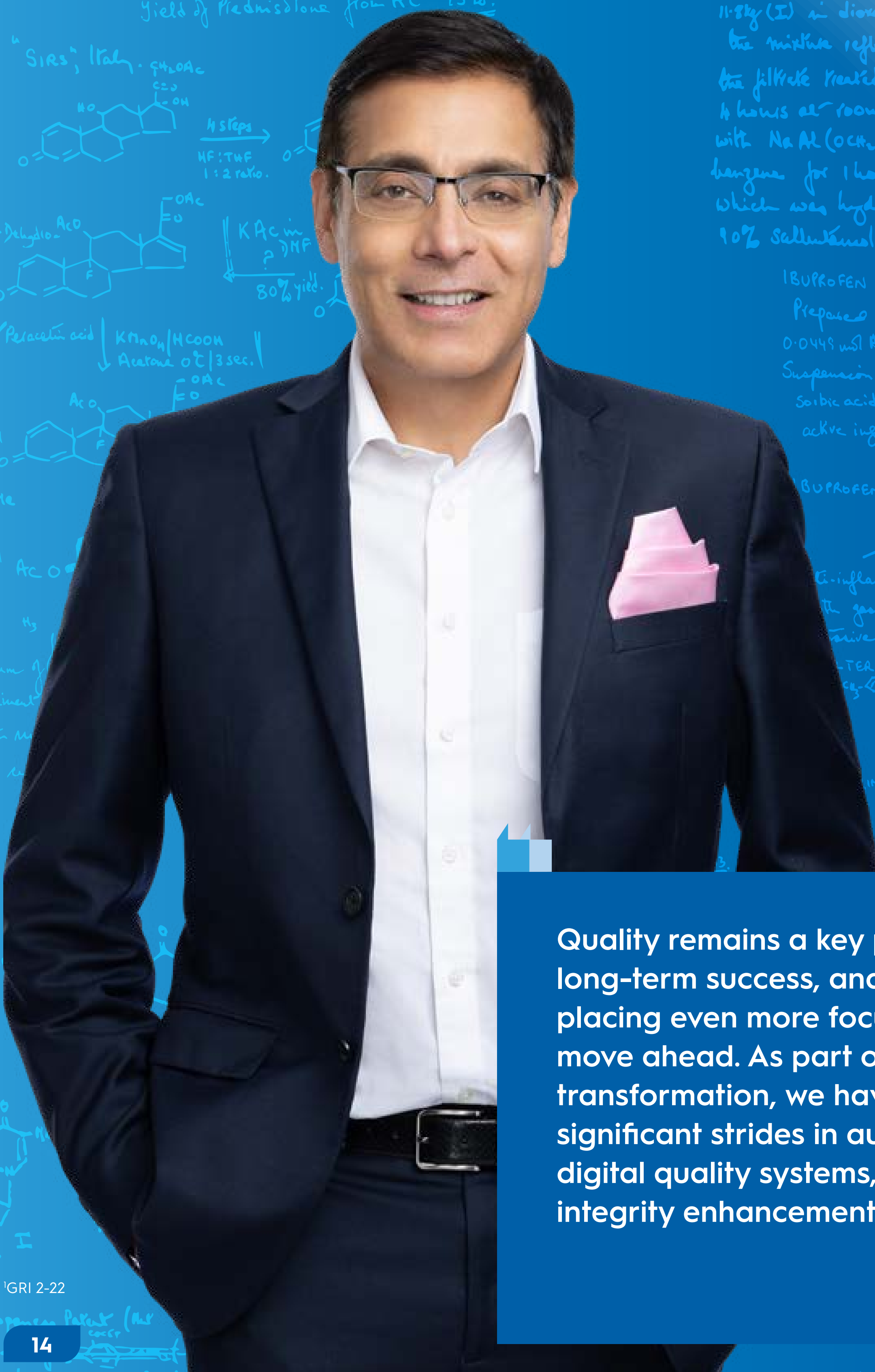
I would like to express my deepest gratitude to Mr M K Hamied, whose visionary leadership has been instrumental in shaping Cipla's journey. Mr Hamied played a pivotal role in steering Cipla's progress and though he has formally retired, he continues to offer invaluable guidance on humanitarian matters. On behalf of everyone at Cipla, we extend our heartfelt thanks to him and wish him continued good health and well-being

Finally, I would like to thank each one of you, our shareholders and the Cipla family for being part of our ongoing journey.

Warm regards,

Y K Hamied
Chairman

MD & GCEO's Message[1]



Quality remains a key pillar of our long-term success, and we will be placing even more focus on it as we move ahead. As part of our ongoing transformation, we have made significant strides in automation, digital quality systems, and data integrity enhancements across sites.

[1]GRI 2-22

Dear Shareholders,

As Cipla marks its 90th anniversary, we take a moment to reflect on an outstanding journey - one that began with a simple yet powerful purpose of 'Caring for Life'. Over nine decades, this enduring commitment has shaped our identity, guided our decisions, and inspired our people to make healthcare more accessible and equitable.

It is an exciting time to be at the forefront of healthcare innovation, where science and technology are transforming the way we prevent, diagnose, and treat diseases.

In the past year, we strengthened our foundation, invested with intent, and stayed true to those we serve. We delivered strong financial results with the highest-ever EBITDA margin, a robust pipeline of innovations, and regulatory clearances across key manufacturing sites. Our continued recognition as a 'Great Place To Work®' for the seventh consecutive year reflects our inclusive and empowering culture. These milestones underscore our relentless focus on excellence, growth, and people.

A Year of Robust Growth and Strategic Advancement

FY 2024-25 was a defining year for Cipla - one that reinforced our leadership, sharpened our strategic focus, and deepened our commitment to delivering impact at scale. Across geographies and business verticals, we advanced with clarity and purpose, guided by our One Cipla approach rooted in collaboration, agility, and excellence. Our One India Business achieved a major milestone, crossing the ₹ 11,000 crore revenue mark, with 7% YoY growth driven by consistent performance across our Branded Prescription, Trade Generics, and Cipla Health Limited (CHL) business. Our Branded Prescription business continued to outperform market growth in key therapies of respiratory, cardiology and urology, driven by our flagship brands. We continue to be the largest pharma company by volume (units) in the IPM, with 23 brands ranked among the top 300, and 26 brands generating over ₹ 100 crore in revenue.[2] Our Trade Generics business, largest in India, enhanced operational efficiency and scalability through integrated distribution. CHL anchored by Nicotex, Prolyte, Cofsils, Omnigel and Cipladine, continued to empower healthier lifestyles, reflecting our growing influence in wellness.

Our North America business recorded an all-time high annual revenue of USD 934 million, powered by sustained performance in our differentiated portfolio and a steady base business. Our respiratory pipeline featuring assets like gSymbicort, and gQvar is progressing well. Our innovation agenda in the U.S. spans complex generics, peptides, 505(b)(2) assets, oligonucleotides, and biosimilars, setting the stage for the next generation of Cipla's growth in this strategic market. As Cipla USA marked a decade of operations, it stood as a testament to our perseverance, adaptability, and long-term value creation. It continues to be a leading force in the U.S. generic market. During the year, we successfully obtained three significant drug approvals that empowered our pipeline - Lanreotide Injection (ANDA), Nilotinib Capsules (NDA) and Nano-Paclitaxel (ANDA). Our One Africa business performance remained strong, with 12% YoY growth in USD terms, powered by firm performance across key markets. South Africa is now the second largest player in pharma prescription market.[3] In the EMEU region, we recorded a 15% YoY annual revenue growth in USD terms entering a new phase of growth, driven by focused market penetration, a healthy internal pipeline, and expansion in both direct-to-market (DTM) and B2B segments.

Various regulatory inspections were conducted across our manufacturing facilities at Patalganga, Kurkumbh, Goa, Virgonagar and Medispray, and we are pleased to share that we have successfully attained a VAI (Voluntary Action Indicated) classification from the USFDA, and compliance certifications from EU GMP authorities. These audit results reflect our deep-rooted culture of compliance, quality, operational excellence, and continuous improvement. Quality remains a key pillar of our long-term success, and we will be placing even more focus on it as we move ahead. As part of our ongoing transformation, we have made significant strides in automation, digital quality systems, and data integrity enhancements across sites. From implementing real-time monitoring tools to adopting predictive maintenance and AI-driven quality analytics, we are building future-ready facilities that are agile, compliant, and resilient. We are also harnessing the transformative power of AI to strengthen our quality operations. By automating complex and repetitive tasks, AI is helping us eliminate non-value-added activities and enhance overall efficiency. We are actively deploying AI-driven tools to perform advanced reviews and analytics that go beyond the scope of human capability. These technologies are enabling us to error-proof our processes, strengthen compliance, and allow our teams to focus on high-value, strategic activities that drive meaningful impact across our quality ecosystem.

[2] As per IQVIA MAT March 25.
[3] India & SA: Market share data and rankings as per IQVIA MAT March 2025.

Leading with Responsibility: Our Sustainability Commitment

As a purpose-driven organisation, sustainability is at the heart of our long-term strategy. In FY 2024-25, we achieved a major milestone by becoming water positive across our India manufacturing operations, replenishing more water than we consume, well ahead of our target timeline. This was made possible through inhouse conservation measures and extensive watershed development initiatives in collaboration with Cipla Foundation, BAIF, and MYRADA, resulting in 24.7 lacs cubic metres of water conserved across Maharashtra, Karnataka, and Tamil Nadu. We also recycled 51% of our total water withdrawal, reinforcing our commitment to circular water management. Pivoting on the Climate Transition Action Plan (CTAP), we recorded a 58% reduction in Scope 1 (energy based) and Scope 2 emissions (vs. FY20 baseline), with 64% of our electricity sourced from renewables. Our 100 MWp solar partnership generated 95,005 iRECs, and all 37 manufacturing units and our R&D Centre in India are now certified as Zero Waste to Landfill. These efforts contributed to Cipla being ranked 3rd globally in the Drug & Pharmaceuticals sector by S&P Global CSA, with an ESG score of 79, and inclusion in the Dow Jones Sustainability World and Emerging Markets Index. We also completed our first double materiality assessment to evaluate the impact of our business activities on the environment and society and how sustainability issues affect our financial performance.

Nurturing the Ecosystem of Care

In a world reshaped by rapid digital innovation, AI, rising health consciousness, and evolving patient expectations, we have remained resolutely focused on delivering value to all our stakeholders - with patients at the heart of everything we do.

Cipla Foundation made significant strides this year in advancing quality healthcare, building climate resilience, and fostering inclusive growth. In healthcare, we enabled the integration of an additional palliative care unit into the public health system at one of Mumbai's largest Government Hospitals. We strengthened access to comprehensive cancer care in North India by initiating palliative care services at the Tata Memorial Centre in Punjab and the Regional Cancer Centre in Rajasthan. We also launched Maharashtra's largest palliative home care initiative in Pune, where mobile teams now deliver holistic care to patients with serious illnesses. Our Cipla Palliative Care and Training Centre in Pune continued to provide compassionate care through IPD, OPD, and home care services. In education, we introduced a first-of-its-kind 'AI on Wheels' van in Sikkim to provide AI-based technical skills to students in remote areas. Additionally, over 15,000 Cipla employees volunteered more than 100,000 hours in 150+ cities, supporting causes like palliative cancer care, blood donation to support people with thalassemia, and mentoring children.

Cipla Foundation in South Africa continues to drive impactful healthcare and education initiatives across the region. Through its involvement in the Dablapmeds (CCMDD) programme, the Foundation supports over 272,000 registered patients, delivering nearly 448,000 medicine parcels via 43 pickup points, while creating 130+ jobs in FY 2024–25. With a 10% YoY growth target, the initiative provides access to chronic medication and eases pressure on public health facilities. The 'Miles for Smiles' partnership with Operation Smile funded 63+ cleft and lip surgeries, with Cipla staff volunteering across South Africa, Kenya, Ghana, and Morocco.

We are also proud of our initiatives that advance our Lung Leadership and promote sustainability and community wellness across markets. In the U.S., we collaborated with the American Lung Association for the Lung Force Walk in New York, spotlighting respiratory health and reinforcing our commitment to lung care beyond the clinical setting. We also launched a month-long Cancer Survivors fund-raising campaign, an extension of the previously concluded 'Crossing the Nation for Cancer Survivors' initiative by the American Cancer Society, supporting the Hope Lodge communities across the country. These efforts reflect our belief that true care encompasses every step of a patient's journey, not just the medical treatment.

People First, Always

Our success over the past 90 years is a tribute to our people. Across the globe, Ciplaites continue to drive impact - whether through innovation, operational excellence, or community engagement. Throughout the year, we deepened our investment in talent through continuous learning, inclusion, career growth, and wellbeing initiatives - because when our people thrive, Cipla thrives. Our culture is anchored in openness, accountability, and empathy. Whether it's scientists in our labs, the field force connecting with physicians, or the teams working behind the scenes - each Ciplaite plays a vital role in fulfilling our mission. Cipla's culture of care, its heart of wanting to be a force for good, is the driving force that pushes us to stretch ourselves, and to go that extra mile.

Innovation as a Catalyst for the Future

At Cipla, we are proud of the strides we have made across several focus areas that define our long-term vision and commitment to patients. Our focus spans future-ready therapies, diagnostics, and devices, while embracing the growing consumerisation and digitisation of healthcare. Strategic partnerships remain central to our innovation engine. Collaborations with Ethris on mRNA-based treatments, Takeda for Vonoprazan, and Formosa for clobetasol suspension, are accelerating our pipeline and expanding access to cutting-edge therapies.

Lung Leadership remains a cornerstone of our identity, with respiratory care continuing to be a core focus for us. We deepened our investments in early diagnosis, treatment innovation, and patient support through the Breathefree platform. Tools like CipAir®, our AI-enabled asthma screening solution, are simplifying disease management for patients. Campaigns such as Inhaler Hai Sahi, Tuffies, and Berok Zindagi have significantly improved inhaler acceptance and patient outcomes. Following the successful rollout of Spirofy® - a cost-effective, portable spirometer in India, we expanded its reach to Nepal, marking our first emerging market launch. During the year, we launched impactful prescription brands such as Foracort G and Indaflo in respiratory, while gearing up for the introduction of Afrezza® Inhaled Insulin for diabetes management.

We are equally committed to addressing the global crisis of antimicrobial resistance (AMR). Our AMR portfolio is evolving from volume-based to innovation-led, with four novel products in development. In FY 2024–25, we introduced Cefepime-Enmetazobactam in India. Additionally, our launch of Plazomicin (Zemdri) in India is a critical step in our antimicrobial stewardship program, reinforcing the need for responsible antibiotic use and innovation in infectious disease management.

We are also advancing our wellness and consumer health strategy by building large consumer brands ranking at # 1 or #2 position in respective categories of pain recovery, nicotine replacement therapy, cough and cold, antiseptic creams, oral rehydration salts and weight gainers.[4] We are strengthening our play across emerging segments like skin, hair, weight management, gut health through both organic and inorganic routes. Oncology is another key focus area where we aim to build a strong presence in cancers prevalent in the Indian subcontinent. Recently, we also received FDA approval for Nilotinib capsules for Chronic Myeloid Leukemia, further strengthening our oncology portfolio.

In the area of neurological and movement disorders, we are significantly strengthening our presence in the CNS therapeutic area. We successfully in-licensed Sanofi's India Central Nervous System product range including Frisium®, a leading brand in anti-epileptic category. Building on this momentum, we aim to pursue similar in-licensing deals or acquisitions in niche indications of attention deficit hyperactivity disorder (ADHD) and Parkinson's disease. Our efforts are rooted in understanding patient needs, reducing stigma, and delivering differentiated therapies for niche indications. Additionally, obesity is emerging as a priority area for Cipla. With a clear strategic intent, we are preparing to enter the weight management segment in India, aiming to address the rising demand for effective obesity solutions.

Looking ahead, our investments in CAR-T therapy, mRNA, biosimilars, and digital therapeutics reflect our commitment to shaping the next frontiers of care. We are not just keeping pace with change; we are helping define the future of healthcare.

Scripting the Next Chapter of Growth

As we look ahead, we do so with optimism and determination. Our ambition is clear: to be a global, innovation-led, patient-centric healthcare company that creates long-term value through science, empathy, and sustainability.
We will continue to invest in big brands, strategic alliances, digital infrastructure, and next-generation therapies, while remaining rooted in our founding values of care and compassion.

As we celebrate this 90-year milestone, we are reminded that 'Caring for Life' is not merely a saying - it is our legacy, our purpose, our responsibility, and our future. A heartfelt thank you to Dr Hamied, whose vision and leadership continue to inspire us every day. To our Board, shareholders, partners, and employees - thank you. Your support and belief in Cipla fuel our journey.

We may be 90 years old, but our spirit is timeless. Here's to continuing our journey of providing care, across continents, communities, and generations.

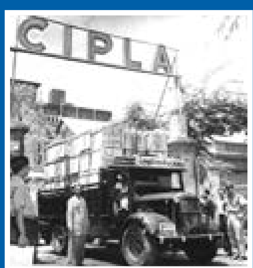
With warm regards,

Umang Vohra
Managing Director and Global Chief Executive Officer

[4] IQVIA YTD February 2025

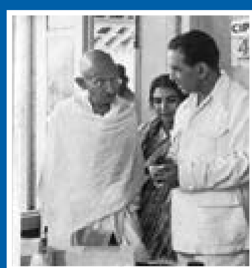
Caring for Life Since 1935

For 90 years, Cipla has stood as a beacon of care, its journey woven with milestones that resonate with its purpose of 'Caring for Life'. From its inception in 1935, the company has embarked on a path to make healthcare accessible to all, a vision that drives all efforts even today. Each milestone is driven by innovation and a deep-seated humanitarian ethos, emphasizing a legacy that continues to build a healthier future for all.



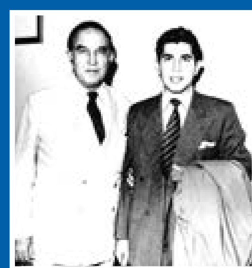
1935

Dr K A Hamied founded the Chemical Industrial Pharmaceutical Laboratories, popularly known as **'Cipla' in Mumbai.**



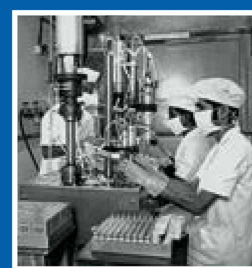
1939

Mahatma Gandhi's visit on 4th July 1939 inspired Dr K A Hamied to produce essential medicines and make **India self-sufficient in healthcare.**



1960

Dr Y K Hamied joined Cipla's R&D division after earning a PhD in organic chemistry from Cambridge University. He pioneered the production of bulk drugs (APIs), and within a decade, **Cipla manufactured over 30 APIs indigenously.**

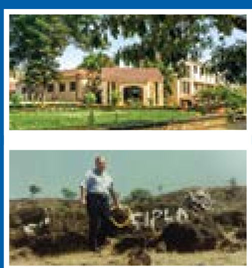


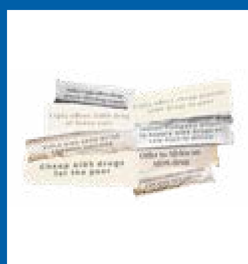
1972

Pioneering inhalation therapy in India, Cipla produced its first indigenous inhaler in India. The launch of salbutamol also marked a landmark in the treatment of asthma and COPD. Staying at the forefront of care, Cipla also created therapy awareness materials for patients and the medical community.

1985

Cipla turned 50. **All three bulk-drug manufacturing facilities (Patalganga, Bangalore, Vikhroli) received US FDA approval,** making them among the first Indian pharmaceutical plants to gain this recognition.





1997

Cipla Palliative Care and Training Centre (CPC) was set up in Pune to provide free-of-cost and holistic care to terminally ill patients and their families.

2001

Cipla offered the world's first triple-drug fixed dose combination for **HIV-AIDS for less than $1-a-day to Doctors Without Borders.**

2013 – 2016

Cipla expanded its global footprint by acquiring Medpro in South Africa to strengthen its presence in the South African and broader African pharmaceutical markets. In early 2016, **Cipla acquired InvaGen and Exelan in the USA** to access local markets, government, and institutional businesses.

2020

During COVID-19 pandemic, Cipla enabled access to a wide range of offerings from diagnosis to treatment.

Today

Cipla is among the top two (by number of brands) in the top 100 list in the Indian Pharmaceutical Market with several #1 brands across categories, #2 in Rx and #3 overall (Rx+OTC) in South Africa Private Market and continues to be a leading force in the Gx market in the U.S.

Awards and Accolades

Certificate of Appreciation in the Large Category under the Listed Segment at the **24th ICSI National Awards for Excellence in Corporate Governance**

Third place globally in the Drug and Pharmaceutical sector and listed in the prestigious **Dow Jones Sustainability Indices (DJSI) World Index 2024 & Emerging Markets Index 2024**

Gold Shield in Large Manufacturing and Trading sector category by The Institute of Chartered Accountants of India (ICAI) at the **ICAI Awards for Excellence in Financial Reporting for FY 2023-24**

Gold rating for Palliative Care Services in Goa in the Healthcare category at the **National CSR Times Award 2024**

Best Automation Adoption Award and **Best Innovation Adoption Award** in manufacturing and pharmaceutical sector at the 14th **Edition Shared Service Summit and Awards 2024**

Ranked Fifth in Pharma & Healthcare sector at the **BW Businessworld India's Most Sustainable Companies awards 2024**

Market Trailblazers Award and another award for **Export Powerhouse (FY24) Finished Formulations** at the Express Pharma Excellence Awards

Excellence in Modern and Agile Data Architecture and Infrastructure at the ET Now DataCon Awards 2024

International Safety Award by the **British Safety Council** for commitment to health, safety and wellbeing of employees throughout 2024

Safe-Tech Award 2024 for **best practices in waste disposal & management** across its depots in India by the Fire & Safety Magazine, India

Cipla bags the **Guinness World Records** in India for **most pledges received in 24 hours for an antimicrobial resistance awareness campaign**

Gold in the **High Impact Certification Program** category at the ETHRworld Future Skills Awards

Berok Zindagi won **Gold-Best Brand Development** at IMAGEXX 2024 & Master of Modern Marketing Awards; **Gold-Excellent Patient Communication** at PRmoment Health Comms Awards 2024; **Gold-Best use of video, content marketing at** Afaqs Brand Storyz Awards; **Gold -Best PR Campaign** at e4m Health & Wellness Marketing Awards 2024; **Best Campaign of the Year Award in Health & Wellness category** at the DMEA Awards 2024

Cipla Assist Team wins **Gold** in the **Best Use of Personalisation** category for its **omnichannel engagement with doctors** at the ET Brand Equity DigiPlus Awards 2024

CiplaMed wins **Innovator in Digital Medical Education** category for its doctor-first digital knowledge platform at the **Global Healthcare and Wellness Award & Conference 2025**

Best Gen AI Use Case of 2024 for **Cipla Genie Platform** at the Gen AI Conclave and Awards by the UBS Forum

Cipla Health brand Nicotex won **Silver in the Best Connected TV/ OTT Ad campaign** category at e4m Real Time Programmatic Advertising Awards 2024

Tuffies campaign won the **Health Awareness Campaign of the Year award** for impact in driving meaningful change in paediatric respiratory care in India at The Economic Times RE Pharma Awards

Cipla Global Supply Chain Management Team wins its **first global award** in **'Transformation'** and **'Risk Management & Resilience'** categories at the ISM Supply Chain Trailblazer Awards 2023

Ranked in the Top 30 Supply Chain Champions in India & conferred with the **Best Supply Chain award** in Reach Strategy category at the 10th India Logistics & Supply Chain Awards

Global Supply Chain Management Team conferred with **Exemplary Position** in Pharmaceuticals category at the Confederation of Indian Industry's Supply Chain & Logistics Excellence Award 2024

Cipla India Business Sales Force Effectiveness (SFE) team awarded for **Customer Relationship Management (CRM) Excellence** at the Pharma SFE/SFA summit by Bluetech Media

'The Cipla Story' campaign won **Gold** and 'Force for Good' campaign won **Silver** for **Best Use of Owned Media/ Content Strategy** at PRmoment Health Comms Awards 2024

Cipla Health conferred with the **Best Healthcare Company** of the Year Award winning **six gold, six silver** and **three bronze** awards at the e4m Health and Wellness Marketing Awards 2024

Cipla EMEU's Spirofy Initiative in Nepal awarded **Gold in Patient-Centric Pharmaceutical Company** in Pulmonology category at the IHW Patient First Awards 2024

Certified as **Great Place to Work for seventh year in a row** by the Great Place to Work Institute, India - Feb 2025 to Feb 2026

Featured in **India's Best Workplaces** in Pharmaceuticals, Healthcare and Biotech 2024 list

Indore and Goa-1 sites awarded **Gold** in the **Occupational Health & Safety category** at the 9th Apex India Excellence Awards 2024

'Pink of Health' campaign won **Silver** for **Health Awareness Campaign of the Year** at India Health & Wellness Awards, **Silver for Best Use of celebrity Endorsement** at the ACEF Global Customer Engagement Summit & Awards 2024 and **Best Integrated Marketing Campaign** at Economic Times Rajasthan Business Awards

Cipla Health's Omnigel 'No dard for Fans' campaign won **Silver in Best Use of Integrated Marketing category;** Nicotex's 'Winning at Quitting with Nicotex' campaign won **Bronze in Best Use of Digital Marketing & Social Media** category at the e4m Indian Marketing Awards 2024

'The Uncommon Cold' campaign won 5 awards in FY 2024-25 including recognition for **Leading Healthcare Awareness Campaign** at the Elets Pharma Leadership Summit & Awards and **Gold- Digital Marketing for Effective Use of Customer Feedback** at ACEF Global Customer Engagement Summit & Awards

'Tuffies' campaign won 12 awards in FY 2024-25 including **9 Golds** for **Best Multi Channel Campaign for a Cause, Best Communication Campaign** in Pharma, Biotech and Biopharma, **Best Integrated Health Communications Campaign,** Healthcare Marketing category,Health & Wellness sector, Influencer Marketing Campaign,**Best PR Campaign, Best Healthcare & Pharma Sector Campaign** and Health & Wellness Sector

Our Value Creation Model[1]

Cipla's business model revolves around its purpose of 'Caring for Life'

Drivers

Inspiration and Ethos

- Patient centricity
- Innovation

Operating Environment

- Market trends
- Regulatory demands
- Global developments

Stakeholder Demands

- Internal stakeholder
- External stakeholder

Risks & Opportunities

- Leveraging opportunities
- Management and mitigation of risk

Inputs

Financial Capital

- Net capex: ₹ **1,162 crores**
- Working capital: ₹ **8,311 crores**
- Net-debt to equity ratio: **-0.33**

Manufactured Capital

- **46** manufacturing facilities
- **25%** of total capex invested towards minimising the environmental and social impacts of our products and operations

Intellectual Capital

- ₹ **1,536 crores** R&D expenditure
- **1,700+** strong IPD team
- Initiated **36** clinical trials, involving **2,000+** patients

Human Capital

- **30,000+** global employee strength across 18 countries and six continents
- **16 lacs+** total training hours
- **88%** succession cover to critical senior manager roles

Social and Relationship Capital

- ₹ **84.67 crores** spent on corporate social responsibility
- **72%** procurement budget spent on local suppliers
- Assessed suppliers accounting for ~36.19% of our total procurement expenditure

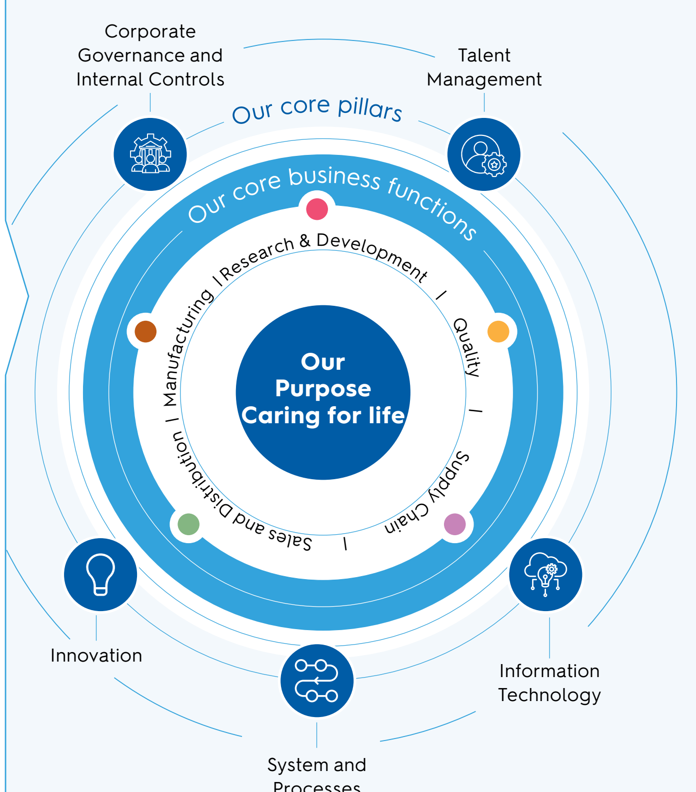
Natural Capital

For India manufacturing operations :

- **64%** renewable electricity used
- **67%** of manufacturing sites are zero liquid discharge
- **100%** Zero Waste to Landfill Sites

OneCipla Credo

- **PURPOSE -** INSPIRED
- **RESPONSIBILITY -** CENTERED
- **INNOVATION -** DRIVEN
- **EXCELLENCE -** FOCUSSED
- **INTEGRITY & TRUST -** ANCHORED



Strategic Objectives

- Achieve excellence in our **PASSION AREAS**
- Focus on **INNOVATION**
- **PIONEERING** – Thinking beyond pharma
- **EXECUTION** – Focus on key geographies and key business functions
- **CHAMPIONING CARE** – AMR and ESG

[1]GRI 2-6

Outputs

Financial Capital
- Revenue: ₹ **27,548** crores
- EBITDA: ₹ **7,128** crores (25.9% margin)
- Return on Equity: **18.2%**

Manufactured Capital
- Annual production of **32.15 bn** tablets and capsules, **679 mn** respules, **48.3 mn** oral liquids, **51.8 mn** nasal sprays, **144.3 mn** aerosol pMDIs, **4.6 mn** dry powder inhalers, and **881.74 tonnes** of API

Intellectual Capital
- **Launched 133** products globally
- **279** patents as on 31st March 2025
- Filed **2,472** cumulative DMFs & **284** cumulative ANDAs & NDAs
- **10** clinical trials were successfully completed

Human Capital
- Certified as **Great Place to Work** seventh time in a row
- **15.88%** women in workforce
- **1,00,000+** employee volunteering hours

Social and Relationship Capital
- **3,38,000+ people** impacted through social impact initiatives
- **57,000 patients** served through palliative care partnerships
- Access to drugs for **~45%** of diseases on the WHO EML
- **4.5 million** patients counselled through BreatheFree Program
- **1,761 vendors** confirmed compliance with SCoC
- **2 lacs+** interaction with HCPs

Natural Capital
For India manufacturing operations :
- **41%** scope 1 (energy based) and scope 2 reduction from FY 2024-25
- **1.75 times** water positive
- **100%** EPR compliance for pre and post consumer plastic

Outcomes

Financial Capital
- Sustainable growth margins, high returns, strong cash flow, healthy balance sheet and balanced capital allocation
- Stable and continuous returns to shareholders

Manufactured Capital
- Optimised infrastructure, efficient production processes and enhanced operational reliability
- Robust IT infrastructure and improved quality culture

Intellectual Capital
- Investments in R&D facilitated continuous improvement in operational efficiency, enhanced R&D capabilities and increase in number of product launches during the year

Human Capital
- Skilled and motivated workforce contributing to higher productivity and employee satisfaction resulting in reduction in attrition rates
- Development of talent pipelines and succession planning for long-term organisational resilience
- Safe, inclusive and diverse ecosystem within the Company

Social and Relationship Capital
- Contributing resources, expertise and support to community projects and initiatives improved quality of life and social well-being
- Building strong relationships, enhancing trust and mutual understanding with local communities through engagement and collaboration initiatives
- Improved access to high quality medicines to drive positive healthcare outcomes, through reliable supply chain management and strong relationships with all stakeholders.

Natural Capital
- Sustainable business practices for environmental stewardship and positive impact on nature and climate.
- Continued progress towards achieving water neutrality, zero waste to landfill and reduction of GHG emission for our India Manufacturing operations

Impact

Refer 'Global Reach' on page no. 6

Key brands[2]


Foracort


Duolin


Dytor


Budecort


Urimax

[2]IQVIA MAT April 2025, sub brands have been grouped

Strategy for Strengthening Our Core Engines and Building Future Capabilities

Our journey began in 1935 with the purpose of enhancing access to affordable and quality healthcare for all patients. For nine decades, we have strived to cater to the healthcare needs of our patients, providing high quality medicines and earning the trust of healthcare professionals. As we enter our 10th decade, we continue to be driven by an unwavering commitment to patient-centricity, innovation and accessible healthcare.

Global healthcare landscape

Globally, the pharmaceutical and medical science sector is transforming at an exponential pace. Biosciences, Artificial Intelligence ('AI') and technology are converging to create innovative meaningful healthcare solutions for patients. Such advancements have substantially reduced the cost and development time of drugs. With the discovery of advanced diagnostic, genomic profiling, innovative and new-age modalities like mRNA, CAR-T, gene therapy, Antibody Drug Conjugates ('ADCs'), Monoclonal Antibodies ('mAbs.') Bispecific Antibodies ('BsAbs'), etc. the field of science is setting new standards and is expected to deliver significantly better outcomes as against traditional therapies. At Cipla, we are committed to build deep capabilities and harness our execution engine to leverage this wave of change and achieve our Strategic Vision 2028.

Our PASSION Areas

1 Lung Leadership

Strengthen our Lung Leadership in key markets by leveraging product portfolio, digital, devices and diagnostics offerings

In India, we dominate the respiratory therapy with 25%[1] market share in the overall market and 70%[1] market in our covered market (inhalation + nebulisation). As we endeavour to strengthen our efforts in respiratory therapy, we continue to serve the entire patient continuum of care from screening and diagnosis to adherence. This includes launching CipAir, an Artificial Intelligence ('AI')-powered mobile app for asthma screening, deploying Spirofy, a handheld spirometer for diagnosing chronic Respiratory diseases and exploring lung oscillometry, an advanced tool for respiratory assessment. We also utilise our resources like the Breathefree Lung Health App and the Breathefree Digital Educator Programme to increase patient's adherence to therapy.

Our Aim and Strategy:

- To build respiratory portfolio beyond Asthma/COPD, such as, mucolytics, refractory cough, pulmonary arterial hypertension and allergic rhinitis.
- To build and increase differentiated drug portfolio across the disease spectrum.
- To build competitive advantage via green propellant inhalers.

Currently, **we have 26 double and triple combinations with Ciphaler and Synchrobreathe in our development pipeline. For the next five years, 50+ filings and 80+ launches across various drugs and devices formats are planned globally.**

For the US market, we have filed three assets including gSymbicort and gQvar Metered Dose Inhaler ('MDI'), with launches expected within next three years. We have also filed multiple respiratory products across Emerging and European markets, to strengthen our future pipeline. Some of the key assets are Budesonide Formoterol Hydrofluoroalkane ('HFA') in Europe, US, South Africa, Australia, Salbutamol MDI in Australia, Cicloform HFA in South Africa, Fluticasone Salmeterol Dry Powder Inhaler ('DPI') and Tiotropium DPI in Brazil.

Green Propellants are emerging as a need of hour in respiratory therapy. We have four key assets with Low Global Warming Potential Propellant ('LGWP') under development. Filings are targeted in FY 2025-26 and launches are planned in the next two to four years.

Our cost-effective, pneumotach portable Spirometer - Spirofy® launched in FY 2024-25 has been scaled, further improving respiratory diagnosis with 1,000+ installations across India. After the successful rollout of Spirofy® in India, Nepal has become the first Emerging market to launch Spirofy® in FY 2024-25. Additionally, Spirofy® has received regulatory approval for Kenya, Tanzania, Ghana, Mauritius and South Africa. Spirofy® is in the advanced journey to receive the prestigious Conformité Européenne marking under new EU- Medical Devices Regulation and poised to become the first fully indigenous spirometer with this stamp of approval.

[1]As per IQVIA YTD February 2025

2 Wellness

Become the largest consumer healthcare company in India and South Africa

Our Aim and Strategy:

- Building large consumer brands ranking at # 1 or #2 position in respective categories.
- Strengthen play across emerging consumer health segments like skin, hair, weight management, gut health through both organic and inorganic routes.

Our Consumer Wellness franchise in India, has established market leadership positions across key categories along with the largest reach amongst all wellness companies. Six of the CHL brands are ranked either no. 1 or no. 2 in key categories of pain recovery, nicotine replacement therapy, cough & cold, antiseptic creams, oral rehydration salts and weight gainers.[2] This growth is driven by leveraging strong consumer insights and our robust capabilities to deliver compelling propositions and communication to our consumers across our flagship brands. In FY 2024-25, we acquired key brands from Ivia Beaute Private Limited like Astaberry, Ikin, Bhimsaini, etc. in India, further expanding our distribution footprint beyond Tier 2+ towns.

The Over the Counter ('OTC') private market in South Africa is worth USD 1.1 billion. With the South Africa market maintaining an above average loyalty to brands, the strategic intent of building equity in "Big Brands" continued to build momentum in FY 2024-25. **Our Wellness business has secured revenues of ZAR 1.65 billion, growing at 11.8% over the last financial year. It maintained its leadership position in key categories with top 3 ranks in the allergy, calmative, probiotic and cold preparations.** Further in FY 2024-25, we have successfully completed the integration of the portfolio of Actor Pharma (Pty) Limited.

3 New Therapy Frontiers : Central Nervous System ('CNS'), Oncology and Obesity

To strengthen oncology, CNS and establishing obesity portfolio

Central Nervous System

We in-licensed Sanofi's India Central Nervous System ('CNS') product range including Frisium ®, a leading brand in anti-epileptic category, which has helped us gain our rank in CNS therapy to #5 position.

Currently, we **hold the top-ranking positions in South Africa and Morocco markets in the CNS therapy area.** To strengthen our position further, we will continue to focus on bringing in differentiated assets across the therapy in these countries.

[2] IQVIA YTD February 2025

Our Aim and Strategy:

- To address the unmet needs of patients suffering from CNS disorders.
- To build a comprehensive portfolio of CNS drugs, underpinned with differentiated drug delivery systems targeting niche indications, such as Parkinson's.

Oncology

Our Aim and Strategy:

- To establish a strong foothold in treatment of cancers that are predominantly prevalent in Indian subcontinent, by offering targeted therapies, nutritional and supportive care to cancer patients.

The global oncology market was valued at USD 255 billion in FY 2023-24 and is poised to cross USD 400 billion by 2028[3]. As per the World Health Organisation ('WHO'), 35 million new cancer cases are estimated to be detected in 2050, with a steep rise in low-and middle-income countries ('LMIC')

From being the first company in India to introduce drugs Vincristine and Vinblastine in 1984 to successfully developing several nanotech based products for cancer, such as paclitaxel injection, **we are making constant efforts to strengthen our oncology portfolio. In the past, we have successfully launched Lenalidomide in USA, which is an immunomodulatory prescription drug to treat patients with multiple myeloma, mantle cell lymphoma and myelodysplastic syndromes, as a maintenance therapy following stem cell transplant. We have also received United States Food and Drugs Administration ('US FDA') approval for Nilotinib capsules for treatment of chronic myeloid leukemia, further expanding our oncology portfolio.**

Due to advancement in genomics, there is a spurt in the development of novel technologies/ platform in precision and personalised medicine, resulting in better clinical outcomes for patients. In oncology, we continue to explore new treatment platforms, which can help bring advanced oncology solutions to LMICs.

Obesity

The obesity market is expected to reach USD 200 billion[4] in sales for all indications by 2031. GLP-1s and combinations are rapidly reshaping the treatment landscape by delivering significant weight loss.

Our Aim and Strategy:

- Launching GLP-1 agonists in India and other emerging markets.
- To focus beyond pharmaceuticals into the nutraceutical space, with a range of products targeting weight loss and lean mass management.

[3]IQVIA global oncology trends report 2024
[4]RBC Capital Markets February 2025

Focus on INNOVATION

To bring innovative assets to the world to address areas where it matters.

To build our Innovation engine, we plan to develop our capabilities in-house and also develop additional strategic alliances. We classify our efforts in Horizon 2 (biosimilars, specialty, complex injectables, peptides) and Horizon 3 (advanced new age technology)[5].

Horizon 2

- For Horizon 2, our focus is to build capabilities for biosimilars, specialty peptides, Long-Acting Injectables('LAI'), specialty products.
- For biosimilars, we have started a new in-vitro discovery biology facility and a new bio-assay lab with Kemwell Biopharma Private Limited.

Horizon 3

- For Horizon 3, we are dialing up new age platforms such as cell and gene therapy, mRNA, stem cells to build a long-term competitive advantage.
- We aim to move up the innovation curve and pioneer transformative treatments in stem cell therapies to address the unmet medical needs globally.
- We are working closely with one of our investee companies, Ethris GmBH to co-develop mRNA assets for India and LMICs. We are also setting up our own mRNA R&D laboratory and Centre of Excellence in Europe.

PIONEERING the care continuum

Industry lines within healthcare are blurring as companies are strategically offering solutions encompassing and catering to more aspects of patient lives. With shifting points of care, companies are increasingly competing for attention and engagement of patients. We are making significant inroads in adjacencies such as diagnostics, digital therapeutic solutions and integrated pulmonary care. This strongly complements our core business and also offers us a competitive edge in delivering solutions spanning across the entire healthcare continuum.

[5]We define Horizon 1 as Generics and small molecules

Breathefree

We have launched "Breathefree", the only respiratory platform with comprehensive offerings, setting new benchmarks and standards in the pharmaceutical industry. The platform has achieved a significant milestone with over 15 lac downloads[6]. It has also helped patients with asthma, Chronic Obstructive Pulmonary Disease ('COPD') in effective management of their condition with interventions such as daily action plans, breathing exercises, medicine reminders, content and health tracking.

To further encourage adherence to their treatment or health regimens, a gamification module has been launched that motivates patients to engage consistently with their wellness journey.

Our Aim and Strategy:

- Explore non-invasive and non-intrusive digital screening methods to screen undiagnosed patients, to ensure they receive timely and appropriate treatment.
- Provide a holistic platform that supports patients throughout their journey - from awareness to screening, management and adherence aligned with their physician's treatment plan.

Building on the vision outlined in FY 2023-24, we will be launching the first-of-its-kind, lung-focused diagnostics and wellness centres - Breathefree Lung Wellness Centre ('BLWC') - with the inaugural centres opening soon in two cities- Delhi and Mumbai. These centres mark a bold leap in our journey to reshape respiratory care in India by offering a comprehensive and standardised approach to lung health.

BLWCs have also been envisioned as centres of excellence in DART- Diagnostics, Awareness, Research and Training. They will act as training hubs for clinicians and technicians and contribute to real-world research in respiratory care, further strengthening our leadership in respiratory medicine. **With BLWCs, we are bringing together our decades of expertise in respiratory health to create a unique platform that not only supports early and accurate diagnosis but also builds the future capabilities of India's pulmonary care ecosystem. This initiative reinforces our purpose of "Caring for Life" by enabling access, innovation and impact - right at the point of care.**

Point of Care devices

We launched CipAir, an AI- powered mobile application, to simplify asthma screening in India with state-of-the-art proprietary technology that uses breathing signatures for Asthma screening. During FY 2025-26, **we are planning to launch CipA1cDuo®, India's unique handheld device that detects both HbA1c and Blood Glucose in a single prick of blood**.

We have also developed CipOscillo® - Cipla's Oscillometer in collaboration with a US-FDA approved technology partner. The license application has been filed with Indian regulators in FY 2024-25. CipOscillo® uses simple tidal breathing and is a portable battery operated oscillometer that detects airway obstruction within minutes and especially relevant for Paediatric and Geriatric patients.

[6]Internal estimates

Harnessing our EXECUTION Engine

We have built strong core capabilities for execution and will leverage the same by building a bolder presence across our key markets. This will be supported by our strong, reliant and responsible manufacturing operations, supply chain resilience and optimisation, quality automation, augmented by AI and digital transformation.

One India

To achieve ₹ 20,000 crores revenue by FY 2027-28: touching 400 million lives in India

Sustained leadership in core therapies driven by best practices and innovation.

This year, we are celebrating 90 years of our legacy in India. **Our One India business growth was propelled by large brands like Foracort, Dytor, Pantosec, Urimax, Omnigel, Cheston, Cipcal, Nicotex and Prolyte.**

Our Aim and Strategy:

- To bring key new launches across therapies including diabetes - inhaled insulin (Afrezza), Anti-Microbial Resistance ('AMR'), respiratory therapy among others.
- To build leading brands such as Forcart and Omnigel in their respective categories.
- We are aiming for multifold growth in chronic portfolio with focus on our leading brands such as Dytor, Humalog, Metolar, etc.; augmented with focus on Obesity drugs.
- Focused on being in the top five in therapy areas of diabetes, ophthalmology, dermatology and in the top three in cardiology.

Our brand for asthma & COPD management, Foracort secured a landmark ₹ 900 crores in revenues[7] for the first time and continues to be the no.1 ranked brand in Indian pharmaceutical market for the second year in a row[8].

In IPM, we have achieved the 2nd rank in Urology and 5th in Central Nervous System (CNS)[9]. We have partnered with Orchid Pharma Limited to launch a new AMR[10] drug - Cefepime + Enmetazobactam for the treatment of complicated Urinary Tract infections, Hospital-Acquired Pneumonia and Ventilator-Associated Pneumonia indications.

Over the last couple of years, we have strengthened our core business by making our big brands larger through regional and channel dominance. **We are joint holders of the #1 rank of having the highest number of brands (six) in the ₹ 300 crores club of the Indian Pharmaceutical Market[11]. Over the past one year, we have successfully launched 85 products across multiple therapeutic segments, strengthening our market presence. We have also expanded our field force from 10,470 in FY 2023-24 to 11,512 in FY 2024-25, further augmenting our reach among doctors.**

In FY 2024-25, our trade generics business unit has undergone a transition to a new distribution model and streamlined operations, driving profitability and sustainability. The retail vertical of this business was expanded pan- India and is driving productive business engagements at over ₹ 1.5 lacs retail /pharmacy stores. This is enhancing reach and supply of generic products till the last mile.

The trade Gx business continues to introduce new products to cater to evolving patient needs and focus on investments in building innovative digital capabilities to reach broader audience. We are expanding our consumerisation initiatives to take our products closure to its users. At the same time, business will continue to strengthen its leadership by brand building, deep distribution and improved penetration.

[7]MAT March 2025
[8]MAT March 2025
[9]IQVIA MAT February 2025
[10]Anti-Microbial Resistance
[11]MAT March 2025

One Africa

To attain no. 1 rank in South Africa private market

Over FY 2024-25, we have grown by 270 basis points faster than the total private market in South Africa: 6.7% vs the market at 4.9%[12]. Furthermore, **we are the only player in the top five to organically grow the base business (0.03% vs market at -2.7%)[13]. We rank third in the South African private market with a market share of 8.6% and ZAR 5.1 billion in private revenue in FY 2024-25[14]. Furthermore, we are ranked second in the prescription (Rx) market and third in the OTC market[15].**

The rest of the One Africa business has also delivered a strong performance. Our Ghana business has excelled in West Africa with almost nine times the revenue growth and a strong performance in new launches. In Kenya, we are market leaders in respiratory therapy and second rank in the gastro-intestinal and pain therapies. We have fully integrated the North Africa business, specifically Morocco and Algeria into Cipla One Africa. In Morocco, we have grown the business 150 basis points ahead of the Total private market in FY 2024-25.

Our Aim and Strategy:

- Sharper focus on top cities versus entire countries.
- To target the "Missing Middle" segment.
- Focus on growing businesses in North Africa and strengthening market leadership in South Africa.

Europe and emerging markets

Our Emerging Markets and Europe ('EMEU') business witnessed a strong business turnaround in FY 2024-25, delivering USD 394 million revenue growing 15% over FY 2023-24 in USD terms.

Our Aim and Strategy:

- Continue to focus on building deep markets, strengthening the existing ones while building newer markets.
- Differentiated portfolio pipeline, ensuring on time launches and building meaningful partnerships, enabling to deliver double digit profitable growth.
- Continue to streamline operations and augment our customer centric approach, across all our markets.

[12]IQVIA MAT February 2025
[13]IQVIA MAT February 2025
[14]IQVIA MAT February 2025
[15]IQVIA MAT February 2025

North America

We have achieved revenues of USD 918 million in FY 2024-25 completing 10 years of direct market presence in the US.

Our Aim and Strategy:

- Deepen our presence in the complex Gx segment by launching more complex generic products (LAI, peptides) and 505b2.
- Become the second largest generic player (by prescriptions) in inhalation based products by 2030.
- Investments in selective biosimilars within the respiratory and oncology segment (through licensing or co-development alliances).

Our Albuterol MDI share expansion has helped us to achieve No. 1 position in generic inhalation market. We will continue to focus on differentiated product portfolio and have successfully filed ANDA for gSymbicort and gQVAR. We will continue to expand our respiratory capabilities in the US market through investments at both our Long Island and Fall River manufacturing facilities.

In complex Generics space, we have successfully developed and manufactured several nanotech based products for cancer, such as paclitaxel injection. We received approval and launched two complex peptide injections in the US market during the year. In addition, we also launched three injection-based products with Competitive Generic Therapy) exclusivity ("CGT"). Our 505(b)2 journey continued with approval of Nilotinib capsules in February 2025, expected to launch in FY 2025-26.

We expect our growth journey in US to continue in the US in subsequent years, supported by launch of one complex oncology injection, 4 Peptide based injections, 2 Respiratory products. Our investments in portfolio building in Inhalation space, complex generics/ peptide-based injections and new areas such as oligonucleotides / 505(b)2 differentiated products position us strongly for growth in the medium to long term.

[16]MAT Mar 2025

Manufacturing

Maximising key performance parameters and capabilities to deliver on our growth initiatives.

Our Aim and Strategy:

- Building deep platform capabilities
- Build cost leadership in operations

We have embarked on delivering on our 'Continuous Manufacturing' concept at one of our critical lines to ensure high levels of efficiency and cost effectiveness. We have also specifically worked on digitising our critical processes like:

- Reduction in operator training time by 60% through Virtual Reality based learnings for five critical equipment at our Indore Unit IV.
- Automated the Visual inspection process on nasal packing line for our Indore Unit III to enhance inspection and quality processes which has helped in optimising manual processes by 8%.
- Reduction in trouble shooting time by ~15% through Generative AI based chatbots for alarm troubleshooting and documentation screening. This has been piloted at our Indore Unit IV.
- In-house developed Advanced Analytics Investigation tool at India based Formulation Sites has led to a 90% reduction in time required for complex investigations and a 50% reduction in the overall number of complex investigations from the past four years, thus improving supply reliability, product and process robustness.
- We have successfully executed the first shipment of Budesonide Respules from China, adding to our global capacity of respules dosage form.

Quality

Achieve 100% compliance through process improvements and automation

Our Aim and Strategy:

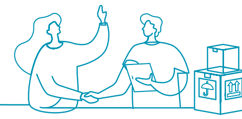
- Improve efficiency and achieve process robustness through reduced rejections, failure rates and improve the quality of investigation by harnessing productivity analytics, predictive analytics and machine learning models and implement automation of change management system.

Focused on transitioning to real time testing and paperless labs by utilising Robotics automation and Gen AI use in cases like natural language processing, voice recognition and video analytics, a 100% completion rate has been achieved in Automation in Delivered dose testing for MDI using Robotic Automation.

We are driving governance through a cloud-based business intelligence dashboard for real time tracking and visibility of key Quality Management System metrics and Key Performance Indicators.

We have also created Digital Transformation Programme and initiated gen AI use cases development for complaint management, Documentation Review and Audit Trail review. The FDA observations for our Goa site have been successfully resolved and closed, reaffirming our commitment to maintain the highest standards of Quality compliance.

Supply Chain Management

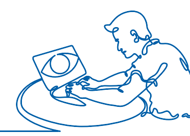


To be a top rated pharma supply chain globally

Our Aim and Strategy:

- To transform our global network by implementing best-in-class planning processes, deploying low/no-touch planning, building a resilient supply chain with the right structure and talent to create a solid foundation for future growth.
- Focus on leveraging the fourth industrial revolution technology, Gen AI powered tools along with real-time market intelligence to achieve cost leadership by enhancing material productivity and risk mitigation.
- To consolidate our distribution footprint for better cost efficiency and service levels, ensuring Good Distribution Practices to maintain drug quality and patient safety.

Information Technology



Our Aim and Strategy:

Continuous Learning

- Embedding AI, Machine Learning models in R&D, manufacturing, supply chain and quality.

Security

- Strengthen cybersecurity, recognising the importance of protecting our digital assets against an ever-evolving landscape of cyber threats.
- By identifying necessary software components and implementing robust safeguards, we ensure the security and integrity of our data.
- Empower teams with continuous learning, training and access to cutting-edge tools to stay ahead of technological trends.

Technology

- Taking strategic bets in emerging technologies such as AI, with a particular focus on vision AI and Natural Language Processing These technologies hold immense potential for enhancing productivity and maintaining compliance within our operations.

Championing Care

Cipla's "Championing Care" philosophy is embedded in our soul and continues to guide our efforts throughout the journey.

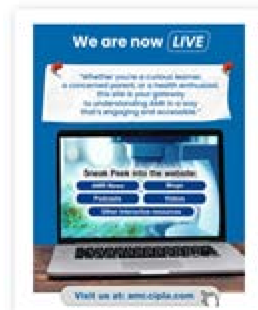
Anti-Microbial Resistance

Our Aim and Strategy:

- Establish Cipla as Crusader in Crisis by providing access, stewardship and awareness
- Building robust portfolio
- Responsible manufacturing of antibiotics
- Increasing advocacy and surveillance

ACT MORE RESPONSIBLY

AMR Website



Cipla remains at the forefront of the global fight against AMR, leveraging its strengths in access, innovation and responsible stewardship. As a leading producer of antibiotics and a proactive contributor to AMR mitigation, we are committed to driving meaningful change through focused efforts that address critical unmet needs.

We have made AMR a strategic priority and are actively engaged in initiatives aimed at raising awareness, optimising antimicrobial use and establishing robust surveillance systems.

All Cipla sites rigorously monitor antibiotic products in alignment with WHO and AMR Industry Alliance ('AMRIA') guidelines. Products undergo mass balancing and analytical testing. Most of our sites have installed Zero Liquid Discharge ('ZLD') systems, eliminating the risk of environmental pollution from treated effluent. At other sites, we ensure Predicted Environmental Concentration (PEC) values remain within AMRIA-prescribed limits.

In FY 2024-25, we introduced one new antibiotic in India—Cefepime-Enmetazobactam and received approval for marketing Plazomicin (Zemdri)—for treating urinary tract infections ('UTIs') in hospital settings. Zemdri, a next-generation aminoglycoside for complicated UTIs, is a patented Cipla product. Our AMR portfolio is evolving from volume-driven production to innovation-led impact, with four novel AMR products currently in development.

We promote responsible antibiotic use through advocacy programs like "I Act More Responsibly," which raises awareness about the dangers of self-medication and antibiotic misuse. This year, we launched a dedicated AMR website to disseminate up-to-date information. Notably, Cipla earned a GUINNESS WORLD RECORDS™ title in India for securing 16,745 pledges for our AMR campaign within 24 hours.

We also conducted over 100 OASIS (Optimising Antimicrobials for Improved Stewardship) Continuing Medical Education programs, engaging more than 1,000 healthcare professionals to promote judicious antibiotic use. Additionally, we hosted two workshops for antibiotic suppliers (API and formulations) to enhance awareness on API emissions management, AMRIA's 2022 Manufacturing Standard and the AMR Certification Programme.

Human Resource

Refer 'Human Capital' on page no. 78

Environment, Social and Governance ('ESG')

Refer 'Contributing to a Sustainable Future' section on page no. 36 for more information on our ESG Goals and Way Forward.

Contributing to a Sustainable Future

Sustainability at Cipla is driven through our core purpose of 'Caring for Life'. We are committed to continuous improvement and have made focused efforts for a sustainable footprint. With a baseline year of FY 2019-20, we had set critical goals and targets to enhance our positive impact on people and the planet for our India manufacturing operations[1] to be achieved by December 2025. These goals have been the driving force of our efforts and targeted initiatives:

Goals (India manufacturing operations)	Progress as on 31st March 2025
80% reduction in absolute Scope 1 (energy based) and Scope 2 emissions[2]	**58%** reduction from the baseline year
Water neutrality	Achieved **1.75 times** water positive
Zero Waste to Landfill ('ZWTL')	All Cipla India Manufacturing operations are ZWTL certified
50% renewable electricity	**64%** renewable electricity
Continuing zero fatality in our manufacturing operations	**Two fatalities** in FY 2024-25
Full compliance with safe discharge targets established by **AMR Industry Alliance ('AMRIA')**	Achieved full compliance with the safe discharge targets

Future Outlook

Climate Action

Our efforts to reduce our carbon footprint are driven by the increasing use of renewable energy and alternative fuel sources, further supported by targeted investments in efficiency initiatives. By December 2025, we aim to achieve an 80% reduction in absolute Scope 1 (energy-based) and Scope 2 emissions from the baseline year FY 2019-20 for our India manufacturing operations. We will continue to leverage existing energy solutions while investing in new and targeted initiatives.

In FY 2024-25, we recorded a 58% reduction in GHG emissions compared to the baseline year. Additionally, we achieved 64% renewable electricity usage, surpassing our goal of 50% for India manufacturing operations. Our commitment to a positive climate footprint is further strengthened through the implementation of focused energy efficiency initiatives, resulting in energy savings of approximately 3,724 MWh during the reporting year.

Building on the climate risk assessment we undertook in FY 2022-23 we continue to monitor our exposure to any actual or potential physical or transition climate risks. In the continuously evolving climate scenario, we are committed to safeguarding our operations and the environment and implementing targeted action plans to address any adverse risks.

Water

We are pleased to share that we have become 1.75 times water positive with respect to our Water Neutrality target for our India manufacturing operations—achieved ahead of the set timeline. This milestone has also been externally certified, further reflecting our commitment to water stewardship. Our water stewardship approach focuses on increasing the use of rainwater, reducing blue water usage, promoting recycling and reuse, and empowering local communities through targeted watershed projects. Currently, 67% of our India manufacturing operations are Zero Liquid Discharge ('ZLD'), strongly supporting our commitment to

[1]India Manufacturing Operations includes manufacturing units of Cipla Limited and its subsidiaries in India (Goldencross Pharma Limited, Medispray Laboratories Private Limited and Meditab Specialities Limited)

[2]Cipla undertook a strategic reassessment of emissions goals and have revised the target from carbon neutral to emission reduction

minimising wastewater discharge and reducing the indirect pollution load on natural water bodies. In the reporting year, we recycled and reused 51% of the total freshwater withdrawn for our India manufacturing operations.

Our local community watershed projects have yielded significant impact, harvesting approximately 2.47 million kilolitres of rainwater in FY 2024–25. Guided by a 'ridge to valley' approach, we promote holistic water resource management through initiatives such as check dams, ponds and rooftop rainwater harvesting systems.

Strategic collaborations with NGOs like MYRADA and BAIF have played a vital role in building resilient ecosystems across Karnataka, Tamil Nadu and Maharashtra. These efforts are complemented by community engagement on responsible water use and water-efficient agricultural practices. To further enhance ecological impact, we have undertaken afforestation and biodiversity assessments around watershed structures to preserve and protect local flora and fauna. We remain committed to scaling these initiatives to empower communities and strengthen environmental resilience.

Waste

Our commitment to reducing waste generation and achieving ZWTL is driven by a strong focus on recycling and co-processing. During FY 2024–25, we achieved ZWTL status across all our India manufacturing operations—an accomplishment that has been externally certified. We also maintain 100% compliance with Extended Producer Responsibility ('EPR') for both pre-consumer and post-consumer plastic waste. During FY 2024–25, approximately 90% of the waste from our global operations has been sent for recycling or reuse.

Biodiversity

As a signatory to the Indian Business and Biodiversity Initiative ('IBBI'), we recognise our responsibility in engaging ethically with the biodiversity in and around our operations. Guided by the findings of our TNFD biodiversity risk assessment conducted in FY 2023–24, we continue to implement targeted afforestation and reforestation initiatives, with a strong emphasis on water conservation to support local flora and fauna. We are committed to develop and execute conservation strategies at sites identified as high-risk. During the reporting year, we have collaborated with the NGO MYRADA, to restore eight wetlands across Bengaluru, India. Our endeavour remains to implement initiatives that protect and support restoration of biodiversity, while minimizing any adverse impacts.

Anti-Microbial Resistance ('AMR')

As a pharmaceutical company, we are committed to responsible manufacturing practices and have launched the AMR Manufacturing Guidance, which provides tactful guidance on ensuring antimicrobial stewardship. We monitor antibiotics products at all sites following AMRIA/WHO guidelines, using mass balance and analytical testing. All our own antibiotic manufacturing sites are complying with safe discharge targets established by the AMRIA. We will continue to maintain strict compliance with local environmental regulations, conduct EHS management programmes and awareness building and safely treat wastewater and solid waste containing antibiotics.

We also make focused efforts to engage our supply chain partners in the fight against AMR.

Workforce wellbeing

Our human capital is the foundation of our business and operational success. Ensuring their wellbeing and growth is a key priority and we are committed to providing them with a safe and inclusive working environment. For details on Cipla's approach towards Workforce Wellbeing, refer to Human Capital on page no. 93 of this report.

Governance for sustainability[3]

Execution of Environment, Social and Governance ('ESG') initiatives is led by the Management. The Board of Directors provides overall oversight, supported by the Investment and Risk Management Committee ('IRMC'), which reviews key ESG initiatives as well as identification of critical risks and devising mitigation plans for the same. ESG goals are embedded into the performance indicators of our Managing Director and Global Chief Executive Officer. These goals, approved by the Board and the Nomination and Remuneration Committee ('NRC'), are tracked periodically.

The Sustainability Council, chaired by the Global Chief Manufacturing Officer ('GCMO'), plays a central role in managing and overseeing sustainability performance. The Sustainability Council includes members of Management Council and head of departments from various functions, meets on a quarterly basis and provides regular updates to IRMC. There is a dedicated Central Sustainability Team who reports directly to the GCMO and provides regular updates to the management and is responsible for end-to-end implementation of our sustainability initiatives. The Council operates under a formal Charter that defines its purpose, scope, governance and member responsibilities. The Charter is available on the Company website: https://www.cipla.com/sites/default/files/sustainability_council_charter.pdf.

During FY 2024-25, the Company had a target of reduction of GHG emissions, water withdrawal, waste generation, along with employee wellbeing & zero fatality. These ESG goals at the organisation level are then cascaded down to relevant leadership positions with significant weightage. At the end of the year, the performance of the organisation against these targets is reviewed and approved by the NRC and Board. The performance is also assessed at a functional level. Positive performance on these environmental KPIs vis-a-vis targets is incentivised through variable pay for the relevant business leaders. For further information on ESG roles and responsibilities, please refer Natural Capital on page no. 115 of the Report.

[3]GRI 2-12, 2-13 and 2-14

Sustainable Development Goals

3.2, 3.4

Our multiple public health awareness campaigns such as BreatheFree on OADs management provide patients with the correct information to manage their diseases, thereby reducing associated mortality

Our 'Miles for Smiles' initiative, with Operation Smile, funded 63+ cleft and corrective lip surgeries, bringing renewed hope to families across the African continent

3.b

Launched Cefepime-Enmetazobactam, for the treatment of complicated Urinary Tract infections, Hospital-Acquired Pneumonia and Ventilator-Associated Pneumonia indications.

3.3

In South Africa, we support the CCMDD programme, Daplameds, supporting enhanced access to medication for HIV and NCD patients

3.8

Provide medicines for 45% of diseases on the World Health Organisation ('WHO') Essential Medicine List ('EML'), including five of the seven antimicrobial-resistant pathogens

31 products listed in WHO List of Prequalified Medicinal Products as part of WHO Prequalification of Medicines Programme (PQP)

3.c

Engaged with over 2 lacs HCPs through various physical and digital modes of engagement

6.1, 6.b

We conducted strategic and targeted community-based interventions in Tamil Nadu, Karnataka and Maharashtra to address water scarcity and increase water availability

6.3

54% of global manufacturing sites have implemented Zero Liquid Discharge mechanisms

45.6% of water withdrawn was recycled and reused

6.b

Conducted awareness sessions with local communities on water conservation, wastewater minimisation and waterefficient agriculture to promote waterpositive behavior.

6.4, 6.5, 6.6

Achieved water positivity for Indian manufacturing operations through collection of 1.75 times the water withdrawn through water shed projects

By implementing watershed development, such as farm bunds and check dams, we enhance water retention and agricultural productivity, even in challenging climates. These efforts are supported by community engagement, where local farmers form Water User Groups (WUGs) to manage and maintain water structures, ensuring long-term sustainability

4.1, 4.2, 4.5

Launched AI on Wheels in Sikkim under the Mobile Science Lab Programme, to support grade 8 and 9 children with basic AI skills

Partnership with Educate Girls in Madhya Pradesh, supporting enrollment of 3,974 girls in government schools

4.5, 4.a

Supported a school for the blind in Mumbai through payment of teacher and caretaker salaries, provision of nutritious food, accommodation and sports facilities, education and skilling and career guidance

4.b

Scholarships provided to more than 320 children, orphaned during the COVID 19 pandemic, supporting continued learning.

7.a

Secured access to a 100 MWp solar capacity in Bikaner, Rajasthan through a strategic partnership, enabling receipt of 1,85,000 annual IRECs, further supporting a reduction of approx. 1,34,495 tCO_2e annually

7.3

Targeted energy efficiency initiatives have supported energy savings of approx. 3,724 MWh

Pioneer in transitioning to electric vehicles, covering over 1.5 lacs+ kilometers in the first year

5.1, 5.2

Robust Diversity Policy that established a clear framework to ensure an inclusive work environment, free from harassment and discrimination

Dedicated grievance redressal mechanisms for timely remedial of any incidents of harassment and discrimination

5.5

11% women in top management positions

Our community-based watershed projects supported the empowerment of 320 women

7.2

41% of our global energy demand is met through renewable energy sources in FY 2024-25, a significant increase from 29% in the previous year

5.b

Our diversity dashboards offer real-time insights into workforce composition across dimensions such as gender, ethnicity, tenure, and age, enabling us to identify trends and areas for improvement.

5.c

Our anti-harassment and discrimination policies are strongly aligned with global human rights commitments and support the creation of an inclusive and safe working environment

7.b

As of 31st March 2025, our total operational capacity was:

- 55 MWp of captive solar power open access
- 2.7 MVA of captive wind pçower open access
- 10.4 MWp of solar rooftop installations across various units in India

8.5

Our Equal Opportunity Policy drafted in accordance with The Rights of Persons with Disabilities Act, 2016, safeguards the rights and ensures equal opportunities for differently abled individuals

8.7, 8.8

Our Human Rights policy provides a robust framework for protection of human rights across our operations and value chain. We comply with all applicable labour laws. None of our operations pose significant risks of child or forced labour, and violation of worker's freedom of association

8.6

Partnership with Educate Girls in Madhya Pradesh, supporting enrollment of 3,974 girls in government schools

Multiple skilling initiatives implemented with reputed partners, impacting more than 17,000 marginalised and low-income communities

9.4

In FY 2024-25, we invested 25% of our total capex towards minimising the environmental and social impacts of our products and processes

9.5

Our skilled IPD team with over 1,700 drive our focused efforts for innovation, supported by five state-of-the-art R&D facilities

In FY 2024-25, we invested 6.7% of our consolidated revenues to enhance our R&D capabilities

10.2

At Cipla, we believe in equality across all genders, cultures, choices and abilities. Targeted initiatives are implemented to create a safe and inclusive working environment. We provide medical insurance coverage for partners and parents for our LGBTQ+ employees and undertake regular awareness sessions

10.3

We are an Equal Opportunity Employer and apply principles of merit in all our employment processes. Robust policies on anti-harassment and discrimination support the creation of a safe working environment

11.6

Efforts at Cipla to regulate GHG emissions, pollutants and undertaking positive water and waste management practices shall contribute to reducing overall environmental impact on the cities

17.17

We continue to partner with governmental, non-governmental and community-based organisations to provide direct palliative care services to patients and increase awareness about palliative care

12.2

Our community-based watershed projects support efficient use of natural resources through the establishment of water storage structures. These efforts enhance the capacity of local communities to use water responsibly and sustainably

12.5

100% equivalent pre and post consumer plastic waste collected and sent for recycling

54% of global manufacturing sites have implemented Zero Liquid Discharge mechanisms

12.a

As of 31st March 2025, our total operational capacity was:

- 55 MWp of captive solar power open access
- 2.7 MVA of captive wind power open access
- 10.4 MWp of solar rooftop installations across various units in India

12.4

Based on guidance provided by ICCA, we implement a robust process to assess inherent hazards associated with chemicals, raw materials, intermediates, and potential exposures during handling. This supports mitigation of risks associated with pharma compounds

12.6, 12.7

Our Supplier Code of Conduct, Responsible Sourcing Policy and Supply Chain Management Sustainability Policy govern our sustainability aspirations for our value chain. All our supply chain partners must comply with national regulations and our internal policies for responsible sourcing and socially and environmentally friendly practices

13.1, 13.3

Based on our TCFD assessment, none of our operating units are exposed to any significant physical or transition climate related risk. We continue to monitor our exposure and implement corrective actions plans as required

Achieved 58% Scope 1 (energy based) and Scope 2 emissions reduction for India manufacturing operations from baseline year of FY 2019-20

15.1

In FY 2022-23, we became a signatory to the India Business and Biodiversity Initiative (IBBI). In alignment with this commitment, we have established objectives for our India manufacturing units to assess and mitigate risks associated with biodiversity loss while identifying opportunities for sustainable value creation. We have also undertaken a TNFD aligned biodiversity risk assessment, formalized a Biodiversity policy and developed a Technical Standard on Biodiversity and a detailed Action Plan

15.2, 15.3

In response to the degradation of wetland ecosystems due to urbanisation and climate change, Cipla, in collaboration with MYRADA, launched watershed restoration initiatives across eight wetlands in Bengaluru, Karnataka. This initiative aimed to enhance biodiversity, restore ecological balance, and improve habitat through strategic interventions

16.2, 16.b

Our Human Rights Policy and Global Code of Conduct, applicable across our operations and value chain, set clear expectations on upholding human rights and preventing any instances of abuse.

In FY 2024-25, there have been no instances of discrimination at workplace, child labour, forced / involuntary labour and/or non-payment of proper wages

16.5

We have a strict zero tolerance approach to any and all forms of bribery and corruption. This is detailed in our Anti-Bribery and Anti-Corruption Policy, applicable to all associates, business partners (as defined in the policy) of the Company and all its global subsidiaries. There were no instances or complaints of bribery and corruption in FY 2024-25

Stakeholder Engagement[1]

At Cipla, we recognise that our success is deeply intertwined with the trust and collaboration of our stakeholders. Stakeholder engagement is the cornerstone of our sustainable business model, acting as a bridge to weave diverse perspectives and priorities into our decision-making fabric. By actively engaging with a wide array of stakeholders including patients, healthcare professionals, regulatory bodies, suppliers and local communities, we gain a deeper understanding of the socio-economic and environmental challenges that shape our operations. This ongoing dialogue allows us to gather invaluable insights, helping us tailor our products to meet the evolving needs and expectations of those we serve, ultimately enhancing the well-being of our end consumers.

Our commitment to transparent communication and collaboration fosters trust and credibility, empowering us to fulfil our mission with integrity and purpose. By being responsive to stakeholder needs, we build strong relationships and position ourselves to anticipate and mitigate potential risks. This proactive approach opens doors to innovation and boosts operational efficiency, driving long-term value creation. For us, stakeholder engagement is not just a process, it's a dynamic journey that fuels our growth and strengthens our impact on the world.

Our Stakeholder Engagement Methodology

Connect

- We begin by identifying all potential stakeholders. By assessing each stakeholder's level of interest and potential impact, we identify the key stakeholders. This approach helps us in prioritising our engagement efforts where they matter most, allowing us to connect with those stakeholders who can significantly influence or be influenced by our initiatives

Customise

- Once we have identified our stakeholders, we design engagement plans tailored to their unique interests, needs and communication preferences. We select the most effective channels to reach each group, ensuring our message resonates and fosters meaningful connections

Cultivate

- We immerse ourselves in stakeholder feedback by actively listening and gathering insights. We measure the effectiveness of our engagement strategies and are prepared to adjust our approach based on their expectations
- This ongoing process helps us manage risks, guide decisions and integrate stakeholder perspectives into Cipla's strategic plans and daily operations. We continuously review and enhance our engagement tactics to cultivate lasting relationships

[1]GRI 2-16, GRI 2-25, GRI 2-29 and Information in line with BRSR question no. 1 and 2 under essential indicator of Principle 4 and question no. 3 under leadership indicator of Principle 4

In FY 2024-25, the Company has undertaken a Double Materiality Assessment to identify priority sustainability issues that are relevant to the Company with respect to external impact and internal risks and opportunities. A key component of this exercise has been engaging with our critical stakeholders to ensure that their expectations and insights are integrated within our sustainability strategy and efforts. Further information can be found on page no. 46.

There have been no significant concerns raised by any of our stakeholders in FY 2024-25. The following table outlines our key stakeholders and the various dimensions of engagement with them:

Patients

Stakeholder interests	Whether identified as vulnerable and marginalised group (Yes/No)	Relevance	How we engage and frequency	Purpose and scope of engagement including key topics and concerns raised during such engagement	Capital linkage
• Access to a diverse range of pharmaceutical products and point of care diagnostics for effective medical treatment • Quality and safety of pharmaceutical products • Accessing reliable information about various diseases	Yes[2]	• Our patients represent the very purpose of our existence and help us deliver on our commitment of 'Caring for Life'. We are committed to meeting their expectations	• **Event based**: ✓ Patient care campaigns/ patient support programmes ✓ Influencer awareness campaign- Gaas, Baas, Kapas Ra Saas ✓ Digital educator initiative in Nepal ✓ Influencer awareness campaign in Sri Lanka- Hari Husmak • **Continuous:** ✓ Berok Zindagi, Tuffies and Breathefree Initiative ✓ Pharmacovigilance/ Drug safety helpline ✓ Websites ✓ Marketing & Communication	• Understanding our patients' needs • Raising awareness and combating misinformation about diseases and treatments • Ensuring access to palliative care • Addressing patient inquiries and feedback • Resolving concerns related to our products • Encouraging positive behavioural change	● ● ●

Channel Partners

Stakeholder interests	Whether identified as vulnerable and marginalised group (Yes/No)	Relevance	How we engage and frequency	Purpose and scope of engagement including key topics and concerns raised during such engagement	Capital linkage
• Deliver high-quality products that meet regulatory standards and exceed customer expectations • Receive support through advertising materials, promotional campaigns and co-marketing initiatives to increase sales and elevate brand awareness • Expect competitive pricing, discounts and incentives to boost profitability	No	• Vital for effective distribution and ensuring accessibility of our products to our patients and caregivers	• **Event based:** ✓ In-market visits • **Periodic:** ✓ Meetings • **Continuous:** ✓ Digital connect platforms ✓ Grievance redressal mechanisms	• Expanding the availability of our medicines across diverse regions • Cultivating robust partnerships for consistent supply of essential medicines. • Increasing market share through enhanced coverage and penetration in both new and established markets • Raising awareness about new product launches and initiatives • Collaborating on creditworthiness and promoting fair business practices • Addressing queries and feedbacks from our channel partners	●

● Financial ● Intellectual ● Relationship ● Manufactured ● Human ● Natural ● Social

[2]The Company caters to a large number of patients, which includes patients belonging to vulnerable and marginalised group

Suppliers

Stakeholder interests	Whether identified as vulnerable and marginalised group (Yes/No)	Relevance	How we engage and frequency	Purpose and scope of engagement including key topics and concerns raised during such engagement	Capital linkage
• Advocate for fair and transparent procurement practices and prompt payments • Seek to cultivate enduring relationships founded on trust, collaboration and mutual benefit	No	• Providers of all input materials and services that are critical or essential to our operations	• **Annual:** ◦ Conducting ESG workshops to engage suppliers on environmental, social and governance issues • **Continuous:** ◦ Rigorous assessments across various dimensions like quality systems, production facilities and laboratory practices ◦ Regular AMR workshops conducted to address antimicrobial resistance concerns ◦ Grievance redressal mechanisms • **Event-based:** ◦ Training sessions focused on material quality, compliance and other relevant topics	• Ensuring quality through strict adherence to standards and regulatory requirements • Addressing gaps in supplier facilities related to cGMP practices to mitigate operational risks • Promoting ethical sourcing practices, minimising environmental impact and reducing carbon footprint • Providing clear guidance and directives to vendors • Maintaining supply consistency to minimise disruptions and foster long-term partnerships for sustainable business continuity • Seek supplier confirmation on compliance with our Suppliers' Code of Conduct	Relationship, Manufactured

Government and Regulators

Stakeholder interests	Whether identified as vulnerable and marginalised group (Yes/No)	Relevance	How we engage and frequency	Purpose and scope of engagement including key topics and concerns raised during such engagement	Capital linkage
• Safeguarding public health with quality, safe, efficacious and affordable drugs. • Ensuring compliance with legal and regulatory requirement • Contributing economically through tax revenue, job creation and innovation • Assessing social and environmental impacts of our operations • Participating in healthcare policy initiatives at the national and state level • Promoting research and development	No	• Engagement with various ministries on policies and regulatory matters that impact our operations and long-term business objectives	• **Event based:** ◦ Engagement with research institutions, industry chambers and pharma associations ◦ Conferences ◦ Panel meetings ◦ Written communications ◦ Facility visits • **Periodic:** ◦ Participation in industry associations and committee meetings	• Engaging in discussions and dialogues on public healthcare, contributing our expertise • Strengthening the healthcare ecosystem through policy interventions • Ensuring timely access to quality medicines nationwide • Establishing Cipla's thought leadership through meetings, conferences and high-level discussions on respiratory health, antimicrobial resistance, wellness and other relevant topics	Relationship

● Financial ● Intellectual ● Relationship ● Manufactured ● Human ● Natural ● Social

Shareholders and Investors

Stakeholder interests	Whether identified as vulnerable and marginalised group (Yes/No)	Relevance	How we engage and frequency	Purpose and scope of engagement including key topics and concerns raised during such engagement	Capital linkage
• Annual profits and return on investment • Corporate governance transparency and accountability • Risk management and regulatory compliance processes • Innovation and research and development initiatives • Solvency, profitability and liquidity status • Clear growth strategy for upcoming years • Environmental, social and governance (ESG) stance of the Company	No	• Shareholders and investors provide essential financial resources, support and guidance crucial for our long-term success	• **Quarterly:** – Earnings calls – Financial results • **Event based:** – Presentations – Meetings and conferences – Investor roadshows – Stock exchange and other communications – Media and newsletters • **Annually/Event based:** – Integrated annual report – General Meeting • **Continuous:** – Website – Grievance redressal mechanism	• Communicating the business financial and ESG performance and outlining growth strategies or strategic shifts impacting the business • Understanding shareholder/investor expectations and actively seeking their guidance and feedback	Relationship, Financial

B2B and Institution Partners

Stakeholder interests	Whether identified as vulnerable and marginalised group (Yes/No)	Relevance	How we engage and frequency	Purpose and scope of engagement including key topics and concerns raised during such engagement	Capital linkage
• Commitment to terms and conditions of the partnership • Creating cordial relations for future engagements • Clear and continuous communication for fulfillment of agenda	No	• B2B and institution partners are crucial for the sale and marketing of our products to reach patients across the globe	• **Event based:** – Industry conferences • **Periodic:** – Meetings	• To collaborate and provide vital medicines to our patients by leveraging their infrastructure capabilities	Relationship

● Financial ● Intellectual ● Relationship ● Manufactured ● Human ● Natural ● Social

Employees

Stakeholder interests	Whether identified as vulnerable and marginalised group (Yes/No)	Relevance	How we engage and frequency	Purpose and scope of engagement including key topics and concerns raised during such engagement	Capital linkage
• Employee health and safety measures • Compensation and benefits package • Job satisfaction, skill development opportunities and career advancement • Support for work-life balance and personal commitments • Inclusivity and diversity initiatives • Company values and workplace culture • Feedback and performance review procedures	No	• Employees are the backbone of the business and contribute to sustained growth. They share our vision and values and help deliver on the same	• **Continuous:** – One-to-one manager interactions – Grievance redressal mechanism • **Periodic:** – Trainings – Skip level meetings – Webinars • **Quarterly:** – Townhalls • **Annual:** – Awards and appraisals – Employee engagement survey	• Performance reviews and career progression assessments • Reinforcing organisational culture and values • Establishing a safe, inclusive and diverse environment • Providing diverse employee benefits • Soliciting feedback on organisational culture and environment • Communicating Company's growth strategies and performance • Recognising and awarding individuals for impactful contributions • Cultivating a culture of learning, development and growth	● (Human)

Communities

Stakeholder interests	Whether identified as vulnerable and marginalised group (Yes/No)	Relevance	How we engage and frequency	Purpose and scope of engagement including key topics and concerns raised during such engagement	Capital linkage
• Practicing ethical business conduct • Creating benefits for local communities through education and healthcare initiatives	Yes[3]	• Create shared value and demonstrate social responsibility through community focused CSR initiatives	• **Continuous:** – CSR initiatives – Grievance redressal mechanism – Website • **Initiative-based:** – Need assessment with communities through our CSR partners	• Identifying new opportunities to partner with and contribute to communities based on their feedback • Supporting initiatives for a sustainable ecosystem and palliative care for the community • Nurturing positive relationships with diverse communities • Addressing social and developmental needs of local communities in consultation with them through partnerships	● (Social)

● Financial ● Intellectual ● Relationship ● Manufactured ● Human ● Natural ● Social

[3]The Company undertakes various CSR activities for the local communities. Majority of beneficiaries of these CSR activities can be termed as vulnerable or marginalised

Healthcare Professionals

Stakeholder interests	Whether identified as vulnerable and marginalised group (Yes/No)	Relevance	How we engage and frequency	Purpose and scope of engagement including key topics and concerns raised during such engagement	Capital linkage
• Gain access to valuable educational resources • Access to practical insights and networking opportunities • Provides a convenient platform for accessing reliable medical information and contributing insights on unmet medical needs and future product portfolio • Report product side effects, quality concerns and availability issues effectively	No	• Provides vital insights on our product use as well as the trends in management of various disease conditions and the unmet patient needs	• **Event based:** National and regional conferences and seminars Knowledge sharing series Advisory meetings Visits by sales personnel Disease celebration days/ months • **Continuous:** Digital connect platforms Grievance redressal mechanisms	• Sharing ideas and expertise on medicines, diseases and healthcare solutions • To understand the need of the patients and the market • To understand the disease management, validation of new product ideas , taking feedback regarding brand campaign, and scientific promotion of the brands • To educate and create awareness among patients regarding various diseases thereby facilitating early diagnosis • Provides a platform to report product side effects, quality issues and availability aspects • To identify the changing needs and trends within healthcare sector	●

● Financial ● Intellectual ● Relationship ● Manufactured ● Human ● Natural ● Social

Double Materiality Assessment[1]

At Cipla, we recognise the critical role a materiality assessment plays in determining priority sustainability issues that are most significant for our operations and stakeholders. To ensure that we remain aligned with stakeholder expectations and emerging risks and opportunities, we undertake a comprehensive materiality assessment every three years.

During FY 2024-25, we have conducted our maiden Double Materiality Assessment ('DMA'). This process involves assessing the impacts of our business activities on the external environment and society and how sustainability related risks and opportunities could impact our financial performance, taking into account the views and concerns of key stakeholders including suppliers, customers, investors, and employees. This assessment helps us focus our efforts and investments on the areas where we can make the most positive impact, stay compliant with regulations, and actively support meaningful change.

Approach to Double Materiality

In conducting this double materiality assessment, we have referred to the guidelines provided by the Corporate Sustainability Reporting Directive ("CSRD"), European Sustainability Reporting Standards ("ESRS") 1 and the European Financial Reporting Advisory Group's ("EFRAG") IG 1: Materiality Assessment Implementation Guidance.

Before identifying our key Impacts, Risks, and Opportunities (IROs), we conducted a contextual analysis of our business activities, using the EFRAG IG 1 guidance as a reference. Based on this, and through research using global sustainability frameworks, peer comparisons, and expert input, we shortlisted 17 material topics for further assessment and validation. As part of this process, we mapped key affected stakeholders and, based on their input, prioritised 10 material topics that are relevant to our business and value chain. While these 10 material topics form our core focus, all 17 identified material topics are addressed across our six capitals framework.

The identified material topics were reviewed for their associated IROs. This preliminary list of IROs was further discussed and reviewed with Cipla Management Council Members to develop comprehensive financial and impact pathways. Each IRO was then assessed for impact and financial materiality in line with EFRAG IG1, along with its presence across our operations and value chain, whether upstream or downstream, as impacts may occur at multiple levels.

We have also aligned the identified potential financial risks with our Enterprise Risk Management (ERM) framework, ensuring consistency with the Company's internal risk register and overall risk ratings.

Our Double Materiality Assessment approach and process has also undergone third party assurance. The assurance statement is available on page 418 and 423.

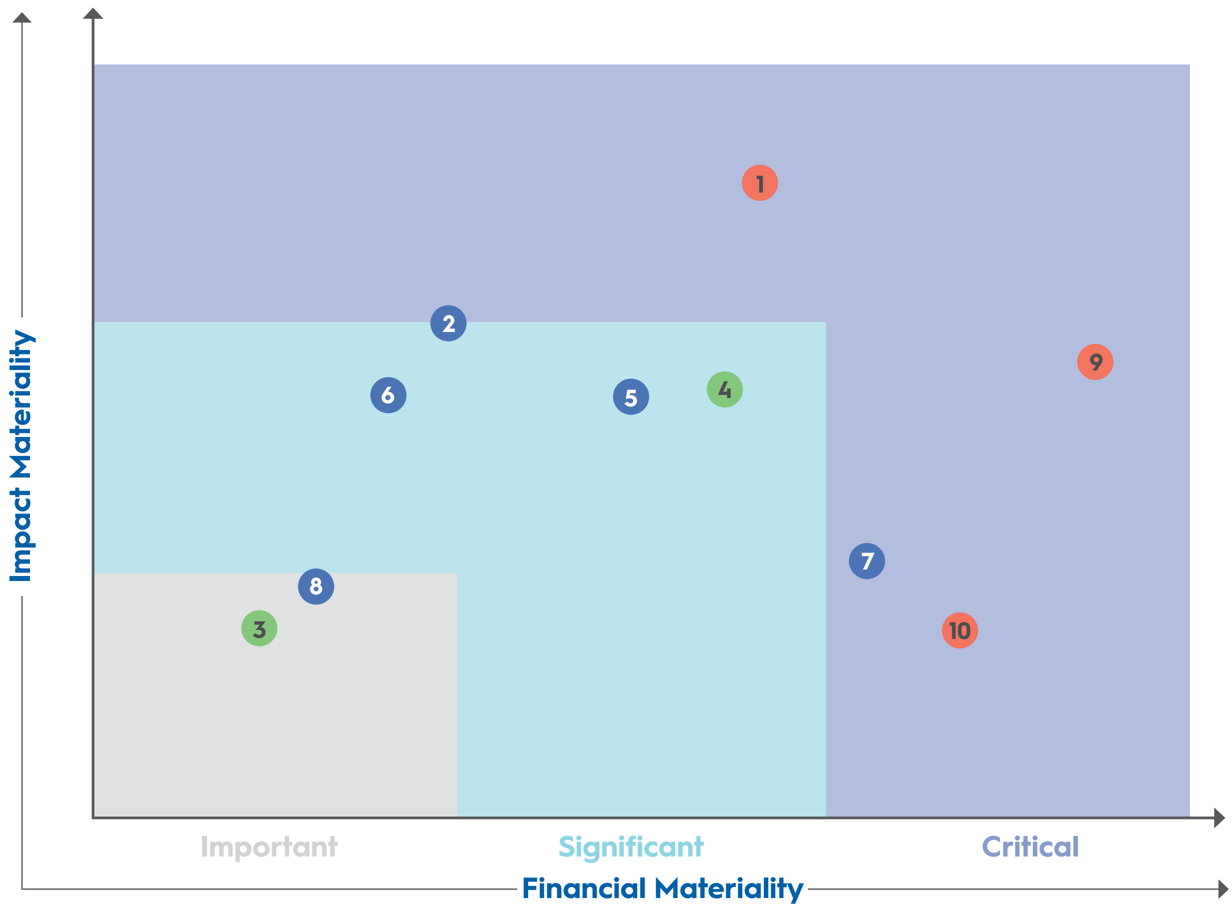
[1]GRI 2-14, GRI 3-1 and information in line with BRSR Question no. 26 of Section A and Question no. 1 & 2 under leadership indicators of Principle 4

Outcome of the Double Materiality Assessment

The results of our Double Materiality Assessment (DMA) are closely aligned with our business strategy. As a healthcare provider, we are committed to delivering high-quality, safe, affordable, and accessible care. The assessment also highlights potential environmental risks, reinforcing our focus on reducing greenhouse gas emissions and improving resource efficiency through responsible environmental practices.

The detailed report on our Double Materiality Assessment is uploaded on our website at https://www.cipla.com/sustainability

Our priority material issues have been depicted below:[2]



1 Access and Affordability of Medicines
2 Technology and Digitalisation
3 Resource Management (Waste, Water and Land)
4 Climate Action (Energy and Emissions)
5 Sustainable Supply Chain
6 Innovation and Research and Development
7 Corporate Governance and Business Ethics
8 Product Quality and Safety
9 Occupational Health and Safety
10 Human Resource Development

Environment | Social | Governance

[2]GRI 3-2

Material Impacts, Risks and Opportunities

The following table presents the results of the Double Materiality Assessment we conducted in the reporting year. It describes the material impacts, risks and opportunities for our top 10 material issues.[3]

Material Issue	ESG Dimension	Linkage with the IR	Rationale for Identification	Identified Risk and Opportunity	Financial implications of the risk or opportunity (Indicate positive or negative implications)	Mitigation Measures in case of Risk
Access and Affordability of Medicines	Social	Relationship Capital	As a generics company, we play a crucial role in enhancing access to life saving medication. This is particularly significant in underserved markets and patient communities. We implement targeted efforts, focusing on areas of therapy where we excel. Our aim is to holistically contribute to a sustainable health ecosystem.	**Risks:** Disruption in supply chain due to manufacturing issues, geopolitical conflicts, natural calamities, quality non-conformance, and failure in anticipating surges in demand can result temporary lack of access to certain medicines in certain geographies. These risks are mitigated by diversifying raw material and production sources and implementing robust business planning to enhance supply resilience. **Opportunities:** Focused efforts to enhance access to affordable healthcare in underserved regions strengthens our brand reputation and equity. It supports in demonstration of the commitment to social responsibility, attracting discerning customers and investors who prioritise socially responsible business practices	Negative Positive	Refer Enterprise Risk Management on page no. 54
Technology and Digitalisation	Governance	All Capitals	We actively leverage technology in our organisational processes to optimise our operations, improve patient experiences through digital solutions and expand our reach in delivering healthcare services on a global scale. We continue to invest in technological solutions that support responsible and smooth operations, consequently creating sustainable positive outcomes for all our stakeholders.	**Opportunities:** Automation enhances operational efficiency, allowing us to focus on innovation, strategic priorities, and customer needs. By embedding technology into our products, we create a distinct competitive edge that sets us apart in the market. Additionally, automation facilitates broader access to new markets and geographies, supporting scalable growth.	Positive	–

Positive   Negative

[3]In line with information required by Question 23 of Section A of the BRSR

Material Issue	ESG Dimension	Linkage with the IR	Rationale for Identification	Identified Risk and Opportunity	Financial implications of the risk or opportunity (Indicate positive or negative implications)	Mitigation Measures in case of Risk
Resource (Waste, Water and Land) Management	Environment	Natural Capital	We recognise the importance of prioritising resource conservation in our own operations and across the value chain. As a resource intensive industry, we make focused efforts to reduce our water consumption and waste generation, increase water recycling and reuse, ensure safe waste disposal and conserve available natural resources.	**Risks:** In the absence of waste, water and land management, we may be subjected to fines, penalties, legal repercussions and loss of stakeholder trust and brand value. Additionally, as a freshwater intensive industry, limited availability can lead to operational disruptions, and hinder business continuity. Furthermore, noncompliance with regulatory pollution limits can lead to financial penalties and increased scrutiny and litigations Severe violations can also lead to closure of site by regulatory authorities leading to reputation loss and business loss. **Opportunities:** Our focused efforts for water stewardship supports business continuity and enables a reduction in operational costs. Further, ensuring Zero Waste to Landfill reduces disposal costs, and enhances competitive advantage. We have also made strategic investments in green chemistry, supporting streamlining of manufacturing processes and cost efficiency. Further, through effective management of AMR, we can differentiate ourselves in the market. It also supports in encouraging stakeholder collaboration, leading to shared investment costs, access to new markets and enhanced innovation through combined expertise	Negative Positive	Refer Enterprise Risk Management on page no. 54

Positive   Negative

Material Issue	ESG Dimension	Linkage with the IR	Rationale for Identification	Identified Risk and Opportunity	Financial implications of the risk or opportunity (Indicate positive or negative implications)	Mitigation Measures in case of Risk
Climate Action (Energy and Emissions)	Environment	Natural Capital	As a pharmaceutical company, we are cognizant of the potential adverse impact of our operations on global warming and climate change. We strive to maintain responsible and ecofriendly operations. Our efforts are driven by our strategic targets that support a reduced carbon footprint. We have been investing in energy efficient technology, renewable energy and alternative sources of energy.	**Opportunities:** Use of sustainable energy sources and investments in initiatives for increased efficiency and reduced emissions, strongly support operational efficiency and reduced costs. Additionally, transition to R152a Propellants (with low Global Warming Potential) as compared to traditional propellants, we can gain greater access to better markets, that are subject to stringent requirements on the environmental impact of products.	+	–
Sustainable Supply Chain	Governance and Social	Relationship Capital	We rely on a global supply chain and are committed to securing a sustainable supply chain. We recognise the importance of addressing issues such as working conditions, wages and the impact of climate change in our supply chain and addressing any risks that we may be exposed to because of supply chain disruptions. Responsible and effective supply chain management is central to our ability to deliver on our commitment to patients.	**Risks:** Our dependence on API and drug suppliers in China, along with inhaler valve suppliers in Europe, makes us vulnerable to geopolitical and supply chain disruptions. This may be heightened by a lack of diversified suppliers, especially amid changing global market conditions. Furthermore, ineffective practices can result in financial penalties, increased regulatory scrutiny, and diminished brand value and reduced investor confidence. **Opportunities:** Implementing efficient practices can enable cost savings, increased profitability, increased investor confidence and competitive advantage and business continuity. Further, technological integration enables enhanced tracking, monitoring, and efficiency, allowing for better inventory management and responsiveness to demand changes, positively impacting our revenue stream and overall financial growth.	– +	Refer Enterprise Risk Management on page no. 54

+ Positive   – Negative

Material Issue	ESG Dimension	Linkage with the IR	Rationale for Identification	Identified Risk and Opportunity	Financial implications of the risk or opportunity (Indicate positive or negative implications)	Mitigation Measures in case of Risk
Innovation and Research	Governance	Intellectual Capital	Innovation is at the heart of our business model. By consistently improving and leveraging the best-in-class technology, we strive to create solutions that make a real difference. This approach enables us to achieve operational excellence and deliver outstanding value to all our stakeholders around the globe. We have robust R&D capabilities who drive our efforts for innovation and research.	**Risks:** Navigating the applicable regulatory requirements for approval of complex products can lead to extended timelines and increased costs. Further, any instance of non-compliance can result in fines, penalties, lawsuits, loss of share value and restricted access to markets. It can also reduce our ratings – financial and non-financial, resulting in reputational loss. **Opportunities:** Transitioning to biologics can provide substantial revenue streams, especially when developing innovative products that address unmet medical needs. Further, it also supports product differentiation by offering innovative therapies not available within traditional pharmaceuticals.	− +	Refer Enterprise Risk Management on page no. 54
Corporate Governance and Business Ethics	Governance	Report on Corporate Governance	Corporate governance and business ethics guide compliance with regulations and ethical standards, vital in an industry where patient safety and drug efficacy are paramount. Ethical practices help mitigate risks of litigation and scandals, protecting the Company's reputation and financial stability.	**Risks:** Regulatory non-compliance can result in fines, penalties, lawsuits, loss of share value and restricted access to markets. It can also hamper brand reputation, decrease investor and employee confidence. Further, non-compliance and the absence of ethical business practices can also reduce ratings received by the Company - financial and non-financial, resulting in reputational loss **Opportunities:** Ethical business practices strongly support enhanced investor confidence. This can lead to better returns and greater investments in the Company. It also enables attraction of quality talent, creating a workforce that is responsible and supports smooth and transparent relationships with regulators.	− +	Refer Enterprise Risk Management on page no. 54

+ Positive − Negative

Material Issue	ESG Dimension	Linkage with the IR	Rationale for Identification	Identified Risk and Opportunity	Financial implications of the risk or opportunity (Indicate positive or negative implications)	Mitigation Measures in case of Risk
Product Quality and Patient Safety	Governance and Social	Manufactured Capital	As a healthcare company, our primary commitment is to our patients. We endeavour to provide them with high quality medicines, that positively impact their health and wellbeing. Any non-compliance with regulations and standards would not only adversely affect our patients but also expose us to legal repercussions and loss of brand value.	**Risks:** Inconsistent or non-compliance with regulatory standards can lead to increased scrutiny during inspections. This could severely hinder the ability to launch new products, affecting market competitiveness and revenue generation. Additionally, poor quality raw materials, sterility issues, human errors and lack of robustness in processes can lead to low quality products and product recalls. This could negatively affect our revenues, brand value and stakeholder trust. **Opportunities:** The integration of AI, robotics, and advanced analytics can revolutionise the manufacturing and testing processes, supporting enhanced productivity, reduced operational costs, and improved product quality. These technologies can expedite processes, reduce human error, improve data accuracy, and provide deeper insights into production metrics.	Negative Positive	Refer Enterprise Risk Management on page no. 54

Positive Negative

Material Issue	ESG Dimension	Linkage with the IR	Rationale for Identification	Identified Risk and Opportunity	Financial implications of the risk or opportunity (Indicate positive or negative implications)	Mitigation Measures in case of Risk
Occupational Health and Safety	Social	Human Capital	Ensuring a safe and healthy workplace is crucial to protect employees from potential hazards such as exposure to toxic compounds, ergonomic risks, and accidental injuries. Moreover, a robust health and safety program helps in maintaining regulatory compliance, avoiding legal liabilities, and minimizing operational disruptions caused by safety incidents.	**Risks:** Serious incidents such as personal injuries, gas leaks at operational sites or road accidents during the transportation of chemicals and gases pose significant risks to the safety of workers and surrounding communities. These events can lead to legal liabilities, financial losses, and damage to the Company's reputation. Additionally, failure to comply with health and safety regulations may result in substantial fines, legal action and loss of brand reputation.	Negative	Refer Enterprise Risk Management on page no. 54
Human Resource Development	Social	Human Capital	Our approach to human capital reflects our commitment to fostering a supportive and empowering environment for all stakeholders. We rely on skilled and dedicated individuals who drive positive outcomes for patients and the broader community. To support them, we focus on creating a workplace that enables growth, engagement, and wellbeing.	**Opportunities:** We are committed to continuous investment in capability building, contributions to global labor market competitiveness. Led by our Talent Review Board and overseen by the Nomination and Remuneration Committee, our succession planning aims to strengthen our talent pipeline for seamless leadership and business continuity. This further supports the availability of the right talent for the right job.	Positive	Refer Enterprise Risk Management on page no. 54

Positive Negative

Enterprise Risk Management[1]

As a global pharmaceutical company, we are exposed to a multitude of external risks spanning across operations, quality, evolving regulatory requirements, government-imposed pricing, supply chain vulnerabilities, market competition, geopolitical events and internal risks such as ethical concerns, ineffective internal controls, system outages, etc. which can impact the Company's financial stability and hamper its business performance.

We adopt a comprehensive risk management approach to proactively identify, assess and mitigate potential risks that could have an adverse impact on our strategic goals and operations. Risk management is a part of organisational structure through robust integration with all the functions and decision-making processes. Continuous monitoring of internal and external factors is performed to prioritise and address the risks based on their potential impact.

Management of key and controllable risks is identified as a key performance indicator across business functions and forms an integral part of annual performance appraisals. This approach drives ownership, promotes proactive and effective risk management culture and ensures alignment between individual contributions and the Company's overall risk resilience.

Experience-based improvements from both internal and external occurrences are identified and applied by means of changes in the policies, processes and procedures.

Governance of risk management and fostering a risk-aware culture

We have established a comprehensive and well-defined governance framework that promotes a top-down approach to risk management to cover key risks across all business areas. This structure ensures that risk identification, assessment and mitigation are driven by leadership and integrated across all levels of the organisation. By embedding accountability and oversight at the highest levels, we enable proactive decision-making and foster a culture where risk awareness is a shared responsibility throughout the enterprise.

The Board of Directors supported by the Investment and Risk Management Committee ('IRMC'), oversees our risk management system. IRMC reviews and discusses the risk updates on a quarterly basis. The below table represents our risk architecture:

Constituents	Responsibility
Board of Directors	Ultimate responsibility for overseeing processes aimed at addressing risks
Investment and Risk Management Committee	Examining and reviewing adequacy of risk identification and mitigation measures, risk management policy, setting control measures and ensuring compliance
Management Council	Manage major strategic and business risks
Business/ Function Heads	Operational risk management
Enterprise Risk Management Team Risk Champions (embedded across businesses and functions)	Proactive identification of risks, facilitating and executing risk mitigation initiatives and analysing residual risk

[1]GRI 3-3

Risk identification methodology

We have defined a robust risk identification methodology to identify risks across businesses and functions. The methodology considers the impact and likelihood of risks as well as the velocity at which the risks are likely to materialise, considering our existing controls and the conditions prevailing in the external environment. For gauging the impact level of risks, a risk prioritisation framework consisting of financial, reputational, regulatory and health & safety aspects has been defined with materiality thresholds.

Our double materiality assessment process enables us to capture stakeholder views on their perception of the pertinent topics for our business. This approach also allows us to consider external views while reviewing the risk register. It enables us to prepare responses to the key risks that can impact our ability to preserve, create or erode the value-creation potential of our business.

The Enterprise Risk Management (ERM) function undergoes an annual Entity Level Controls Audit as part of the Internal Financial Controls (IFC) framework. This audit, conducted by an independent external firm under the internal audit programme, includes a comprehensive review of the risk management framework to ensure its effectiveness, compliance and alignment with organisational objectives.

Key risks

Following is a summarised account of some of our key risks, its impact and mitigation measures. The mitigation measures are only illustrative and not exhaustive. While every company, as part of its risk management strategy, tries to put in place mitigation measures to the extent possible, residual risks cannot be wished away.

Pricing, competitive and business model pressures

Upwards ↑ Downward ↓ Static

Risk description and impacts	Mitigation measures	YoY risk movement	ESG linkage
Across many markets globally, pharmaceutical product pricing of existing portfolio and new launches is subject to government-led price controls. Pressures exerted by competitors and major customers can also limit our ability to increase/ maintain product prices, resulting in price erosion. Additionally, shifts in product prescribing habits of healthcare professionals ('HCPs') and/ or patient preference driven by competitive innovation and channel availability may affect the demand of our products. In some geographies and therapies, failure to have adequate market penetration or being among the first companies to launch a product may affect our market share and growth aspirations. The combination of above risk factors can have an adverse impact on our business profitability and product launch decisions.	• Launch of innovative and differentiated value-accretive products for which better pricing can be secured. • Deepening distribution network to improve market volumes. • Focusing on growth of key brands in branded prescription market across geographies. • Exploring growth opportunities through in-licensing deals and enhancing presence in healthcare and wellness products based on innovative technologies. • Cost reduction and efficiency improvement measures to support business profitability.	↑	Governance

Product quality

Upwards Downward Static

Risk description and impacts	Mitigation measures	YoY risk movement	ESG linkage
The pharmaceutical industry is one of the most heavily regulated industries in the world owing to the potential risks associated with pharmaceutical products, which can have a significant impact on human health. Consequently, pharmaceutical product manufacturing processes at Cipla sites and those of our contract manufacturers and suppliers are heavily regulated by governmental health and quality authorities globally. Failure to comply with applicable regulations could result in regulatory warnings, failure to secure commercial launches, suspension of manufacturing, product recalls, product liability claims, inability to export, damage to brand reputation or cancellation of approval/ license to manufacture.	• Robust Quality Management Systems ('QMS'), adequately assisted by digitisation to adhere with applicable and emerging regulatory requirements applicable to products manufactured at Cipla locations as well as sourced from third parties. • Comprehensive quality improvement and training programme with focus on historically known gaps and challenges. • Implementation of Robotic Process Automation in process and equipment review, predictive data analytics and smart interlocks to monitor critical activities. • Minimising microbiological excursions by enhancing sterile work practices. • Investigate identified non-conformities and define appropriate Corrective and Preventive Action ('CAPA'). • Automating processes to eliminate manual activities, reviews and errors. • Proactive identification of potential challenges through periodic reviews and audits conducted internally. • Rigorous vendor and contract manufacturer audits on factors such as cGMP and QMS compliance.		Governance

Product development and launch

Upwards Downward Static

Risk description and impacts	Mitigation measures	YoY risk movement	ESG linkage
The pharmaceutical product development lifecycle is characterised by risks such as costly upfront investments, potential patent litigation and clinical trial delays. Delays in regulatory reviews and approvals and the regulatory status of our manufacturing sites may also negatively impact the commercial launch of products. Lastly, in the development of innovative and complex products, technical challenges may potentially delay or even terminate development activity. Since our growth aspirations partly rely upon the successful development and launch of value-accretive products across therapies, disruptions in product development activities can adversely affect our future business and the results of operations.	• Resource prioritisation and de-bottlenecking for key product launches. • Where feasible, moving production to other facilities to reduce the risk of product launches failing due to quality challenges at manufacturing sites. • Use innovative development techniques to mitigate risks of clinical failure and scale-up challenges. • Robust project management to identify schedule slippages and prioritise timely de-risking interventions. • A well-defined process to integrate lessons learned from past development experiences/ failures to mitigate the risk of recurrence. • Multiple learning and development initiatives to develop in-house R&D team's competencies. • Undertaking collaborations with regulatory bodies, companies and institutions to remain aligned with global best practices and improve disease diagnosis, manufacturing efficiency and strengthen efficacy of drug device combination products.		Governance

Supply chain disruptions

Upwards ↑ Downward ↓ Static

Risk description and impacts	Mitigation measures	YoY risk movement	ESG linkage
Interruptions in supply by vendors can disrupt our manufacturing process, leading to product shortages and a material adverse impact on our reputation and revenues. Some of the materials we procure are sole-sourced and thus, disruptions faced by the suppliers of these materials could have a more significant impact on us. Finally, variables such as seasonality, under-estimation or over-estimation in performance of new launches and disruptions in third party/ competition supply chain may result in a variance between forecasted and actual financial performance.	• Implementation of Continuous Improvement Programme that focuses on creating alternative cost-effective options for procurement of raw materials and mitigating risks of supply disruption. • Continuous monitoring to identify potential disruptions and proactive deployment of mitigation measures (alternate sourcing, advance purchases, etc.). • Maintaining sufficient inventory balances for key strategic molecules. • Implementing, improving and digitising business planning procedures to enable scenario-based simulations and achieve greater end-to-end supply chain visibility. • Logistics optimisation and cost rationalisation through rate contracts with sea liners and prior scheduling of dispatches. • Leveraging Artificial Intelligence ('AI'), Machine Learning ('ML'), technology and generative AI to improve efficiency and visibility of operations.	↑	Governance

Geopolitical volatility

Upwards ↑ Downward ↓ Static

Risk description and impacts	Mitigation measures	YoY risk movement	ESG linkage
The complex environment in which we operate give rise to multiple uncertainties, including geopolitical instability, trade sanctions, inflation in commodity prices as well as transportation costs and evolving compliance requirements. Additionally, we have observed a growing global emphasis on self-reliance in several of our key export markets The above uncertainties have a bearing on business value and growth, cash flow cycle, repatriation of funds, disruption in the supply chain, increased costs and foreign exchange volatility.	• De-risking through capping overall exposure to high-risk geographies and robust monitoring of risk developments. • Evaluation of local manufacturing or tie-up possibilities. • Securing receivables through advance payments or sales backed by letters of credit/ bank guarantees. • Where feasible, hedging foreign exchange risks through forward covers or securing price increases in the local market. • Replacing revenues lost to geopolitical volatility through incremental product launches and by executing in-licensing opportunities.	↑	Governance

Talent management

Upwards ↑ Downward ↓ Static

Risk description and impacts	Mitigation measures	YoY risk movement	ESG linkage
Inability to attract and engage highly skilled personnel may affect our overall productivity, impact the execution of strategic intent and weaken our succession plans. Operational complexity across businesses and functions has risen significantly, which also potentially increases the risk of workforce fatigue. Eventually, this could have a material adverse impact on our business and operational results by hindering our ability to achieve our major business objectives, damaging brand reputation and reducing the diversity of our workforce.	• Targeted recruitment and retention for strategic businesses, geographies and functions. • Job rotation opportunities to leverage complementing skill sets and enhance operational synergy. • Undertaking employee surveys and performing engagement and teambuilding initiatives to build morale and culture of high performance. • Prioritisation of continuous learning and development initiatives to foster innovation and ensure future-ready workforce. • Continually build and strengthen appropriate measures to ensure de-risking of critical roles.	Static	Social

Information security

Upwards ↑ Downward ↓ Static

Risk description and impacts	Mitigation measures	YoY risk movement	ESG linkage
The pharmaceutical sector continues to be highly targeted by cyber criminals. A significant disruption of IT services due to a breach of cybersecurity or failure to comply with globally applicable data privacy regulations could result in losses, regulatory penalties, or damage to our reputation. This could materially affect our financial condition and continuity of operations.	• Implementing necessary preventive information security controls complemented by advanced monitoring and detection measures, in line with leading industry practices. • Focus on proactive identification of gaps by building threat intelligence and performing periodic red-teaming reviews. • Performing cybersecurity incident simulation exercises to improve response readiness. • Embedding secure-by-design and privacy-by-design concepts across organisation process and systems development. • Monitoring compliance with global data requirements through regulatory compliance framework. • Optimising processes by minimising unnecessary human touchpoints and integrating diverse technologies for scalability.	↑	Governance

Environment, Social and Governance ('ESG') and sustainability

Upwards ↑ Downward ↓ Static

Risk description and impacts	Mitigation measures	YoY risk movement	ESG linkage
Our commercial activities cause an adverse impact on the environment and thereby impact society at large. Globally, stakeholders are increasingly evaluating companies based on their sustainability commitments and performance failures to limit the adverse impact of our environmental footprint, create and contribute to societal development and operate in an ethical manner can have negative consequences on our reputation, operations and the long-term sustainability of our Company's performance.	• Our mitigation efforts are aligned with our ESG goals of reducing Greenhouse Gas ('GHG') emission, Scope 1 (energy-based) and Scope 2 by 80% from a FY 2019-20 baseline, water neutrality and zero waste to landfill across our Cipla India manufacturing operations by calendar year 2025. • A few of our efforts to achieve these goals and subsequently reduce or mitigate ESG risks include: – Increased use of renewable energy ('RE') and investment in RE projects. – Rainwater harvesting and water recycling. – Improved processing of waste to avoid incineration/ landfill disposal. – Strong and responsible governance of our ESG related targets and performance. • We continuously undertake and monitor initiatives aimed at inclusion, safety and wellbeing of our employees, consumers and the society within which we operate.	↓	Environment, Social and Governance

Third party risk

Upwards ↑ Downward ↓ Static

Risk description and impacts	Mitigation measures	YoY risk movement	ESG linkage
We rely on a wide network of third parties in critical areas like Manufacturing, IT, Distribution, Research and Development as well as support areas of Compliance, Finance and Payroll. Any failure on their part such as non-compliance with Good Manufacturing Practices ('GMPs'), data breaches, quality control issues or unethical practices can result in serious consequences including product recalls, regulatory penalties and reputational damages. Negligence by third party can cause disruptions in Company's business in the form of cyber-attacks, insufficiency of raw materials, failure to develop and supply products, etc.	• Conducting due diligence of external partners examining their operational capabilities, financial stability and regulatory compliance status. • Establishing contracts with clear terms covering regulatory compliance, quality standards, data protection and audit rights. • Maintaining business continuity plans with external partners, identifying alternative vendors for key raw materials and services and taking appropriate insurance coverage to manage disruptions and liabilities.	↑	Governance

Climate-related risk[2]

Upwards ↑ Downward ↓ Static

Risk description and impacts	Mitigation measures	YoY risk movement	ESG linkage
Climate-related events present physical risks to our operations that could potentially result in financial losses. These risks can manifest as acute events, including cyclones, droughts, riverine floods and extreme precipitation among others. Additionally, long-term chronic weather patterns such as heatwaves, water stress, coastal flooding and rising sea levels may also significantly disrupt manufacturing operations, supply chains, logistics and overall productivity across our value chain. The transition to a lower-carbon economy necessitates extensive policy, legal, technological and market changes to address mitigation and adaptation towards climate change. There may be considerable financial impacts, as well as reputational risks tied to our ability to effectively adhere to this transition.	• Transition to R152a Propellants with low Global Warming Potential ('GWP') as compared to traditional propellants with high GWP. • Risk assessment of our operations through TCFD & TNFD guidelines. • Investment in energy efficiency and renewable energy sources	↑	Environment

Statutory compliance

Upwards ↑ Downward ↓ Static

Risk description and impacts	Mitigation measures	YoY risk movement	ESG linkage
As a global organisation catering to over 74 geographies, we must comply with a wide range of laws and regulations which apply to manufacturing, testing, approval, distribution and marketing of pharmaceutical products. Failure to comply with applicable laws and regulations could result in litigation, commencement of government investigations, which divert management attention and may culminate towards levy of significant financial penalties and loss of reputation.	• Creating effective policies and procedures to ensure compliance and prevent unlawful/ fraudulent activities. • Comprehensive global compliance management framework to track compliance with existing laws & regulations and to stay abreast with emerging regulations. • Continuous monitoring of compliances to avoid surprises and ensure timely remedial action.	Static	Governance

Internal controls and ethics

Upwards ↑ Downward ↓ Static

Risk description and impacts	Mitigation measures	YoY risk movement	ESG linkage
Non-compliance with internal policies and ethical guidelines could affect achievement of business profitability, dilute value and expose us to reputational loss.	• Comprehensively defined layers of preventive and detective controls to ensure compliance with laid down processes and applicable regulations. • Harnessing risk analytics to automate and identify areas of non-compliance, fraud and business waste. • Promoting ethical behaviour by providing training and awareness sessions on our code of conduct.	Static	Governance

[2]GRI 201-2

Emerging Risks

In addition to current actual and potential risks, we also evaluate and assess emerging risks at least once every three years for timely remediation and prevention of any adverse consequences. In line with our risk management framework, emerging risks are also identified based on how likely they are to occur and the potential impact on the business. We identify and classify emerging risks through analysis of internal and external data, industry trends, market study, regulatory requirements and expert insights. This provides for a holistic and systematic approach to correctly gauge potential risks that could evolve to have an adverse impact on the business and allow for implementation of mitigation strategies in a timely manner.

Trade protectionism

Risk description and impacts	Mitigation measures	ESG linkage
In some of our major markets we are witnessing regulatory measures aimed at increasing local manufacturing as well as reducing drug prices through implementation of trade tariffs and imposition of regulatory ceiling on drug prices. While these policies aim to improve affordability and access for local populations, they significantly limit pricing flexibility and can compress margins, particularly in markets where cost competitiveness is a key differentiator. Such measures have potential to impact profitability and growth significantly in these regions.	• Establishing local partnerships for manufacturing in key markets to meet local sourcing requirements. • Investing in API backward integration and supply chain efficiency to sustain margins under price pressure. • Rationalising portfolio of these markets by discontinuing low margin, unsustainable products impacted by price ceiling and focusing on complex generic products and niche therapies.	Governance and Social

Impact of anti-obesity medications on the pharmaceutical sector

Risk description and impacts	Mitigation measures	ESG linkage
The increasing adoption of GLP-1 presents significant growth opportunities but simultaneously also has potential to restrict growth in certain traditional therapies, particularly in the cardiovascular and metabolic areas. GLP-1 drugs not only provide effective glycemic control but also demonstrate significant cardiovascular and renal protective effectiveness. As a result, this may reduce demand for medications such as statins, ACE inhibitors, beta blockers and antiplatelet agents. Additionally, the weight loss benefits of GLP-1 would reduce the burden of obesity related complications and thus, has potential to impact corresponding segments in the pharmaceutical sector.	• Portfolio diversification by shifting focus in therapies where GLP-1 has shown limitations like Chronic Kidney Disease, Diabetic Retinopathy, etc. • Realigning pipeline by shifting focus from therapies vulnerable after adoption of GLP-1. • Continued focus on HCPs engagement in relation to existing therapies that remain complementary to GLP-1.	Governance and Social

Manufactured Capital

Strategic Focus Areas:

Digitisation

Data Integrity

Product Quality and Safety

Our Contribution to Sustainable Development Goals

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Our manufacturing capabilities

Capacity highlights (in units/annum) FY 2024-25:

32.15 billion

Tablets and capsules

679 million

Respules

1.5 million

Lyophilised injections

48.3 million

Oral liquids

51.8 million

Nasal sprays

144.3 million

Aerosol pMDI

4.6 million

Dry Powder Inhalation (Ciphalers)

881.74 tonnes

API

Our philosophy on leveraging our Manufactured Capital

At the core of our manufacturing capabilities lies a deep dedication to patient well-being. Every product we create is designed to exceed regulatory standards, ensuring the highest levels of safety and trust for those who rely on us. Guided by our philosophy of Caring for Life, we are committed to delivering high-quality, reliable medications that put patients first—always.[1]

To achieve this, we embrace cutting-edge innovation, advanced digitalisation and seamless automation across our operations. By leveraging the latest technologies, we optimise efficiency, enhance quality and drive continuous improvement. Our focus on streamlined processes and precision manufacturing allows us to set new benchmarks in product development and vendor management.

Fortifying our manufacturing facilities[2]

Located across five countries, our 46 cGMP-compliant manufacturing facilities are the foundation of our efforts to enable access to affordable medicines globally. We adhere to national and international standards, ensuring that our medicines are safe, effective and of the highest quality.

We continuously invest in our manufacturing facilities to ensure that the plants are up to date and technologically meet the required efficiency. We have adopted two models of collaboration with Contract Manufacturing Organisations ('CMOs') - 'Loan Licensing' and 'Principal to Principal'. Our Manufacturing Execution System ('MES') has been expanded to include one more manufacturing unit, resulting in total of four manufacturing units equipped with integrated MES in FY 2024-25. This supports seamless operations, data accuracy and regulatory compliance across our manufacturing sites. The MES will be further scaled and adopted across additional six units in FY 2025-26.

In FY 2024-25, we have made significant investments in further strengthening the capabilities of our manufacturing sites as follows:

Indore:

- Commissioned an MSP (form, fill and seal) machine for the Dry Powder Inhalation (Ciphaler), increasing capacity by 2.6 million units per annum.
- Greenfield unit for Metered Dose Inhaler ('MDI') (Green Propellant) is under construction, with commissioning scheduled for FY 2027-28.

Kurkumbh:

- Commissioned a Mespack sachet packing machine, enhancing annual capacity by 39.60 million units.
- Construction of a Greenfield unit for manufacturing respiratory API, under Cipla Pharmaceuticals Limited, with a capacity of 10 tonnes per annum. Commissioning production is expected to commence in FY 2025-26.

Patalganga:

- Expansion of the tablet manufacturing area to increase production capacity by 300 million tablets per annum from FY 2025-26.

Bommasandra:

- Additional manufacturing block of oncology API is under construction, with commissioning scheduled for FY 2026-27.

Goa:

- Qualification of a cytotoxic tablet manufacturing unit with a capacity of 80 million units per annum, with commission scheduled for FY 2025-26.

[1]GRI 3-3
[2]GRI 2-6

Our commitment to sustainable manufacturing

We are firmly dedicated to minimising the environmental impact of our manufacturing operations. Across our facilities, we have implemented various measures to enhance resource efficiency. By prioritising sustainability, we ensure that our manufacturing processes meet current demands while also contributing to a healthier planet for the future. In FY 2024-25, 25% of our total capital investment was dedicated to minimising the environmental and social impact of our products and operations, compared to 2.87% in FY 2023-24. This investment focused on the following technologies, resulting in cost savings and enhanced efficiency.[3]

Project description	Location
Refurbishment of sludge drying system to reduce waste	Patalganga Unit I
Installation of rooftop solar panels	Sikkim Unit II
Installation of Sequencing Batch Reactor ('SBR') and Sewage Treatment Plant ('STP')	Sikkim Unit I
Installation of mist cooling tower for energy saving	Indore
Installation of new STP	Goa Site I Goa Site II
Installation of 25 KL tank for rainwater harvesting	Kurkumbh Unit III
Replacement of existing centrifugal chillers with energy efficient magnetic bearing chillers.	Goa Site I
DeFlasher system for steam recovery to efficiently separate and recover condensate from production process.	Indore Sikkim

Digitisation and Automation Efforts

Digitisation in manufacturing[4]

In view of Cipla's commitment to innovation and excellence, we invested in advanced Generative Artificial Intelligence ('Gen-AI') technologies and developed comprehensive digital solutions to streamline various processes. Key features included process optimisation, a user-friendly interface, robust analytics, documentation assistance, inventory optimisation, root cause analysis and pump energy efficiency, etc.

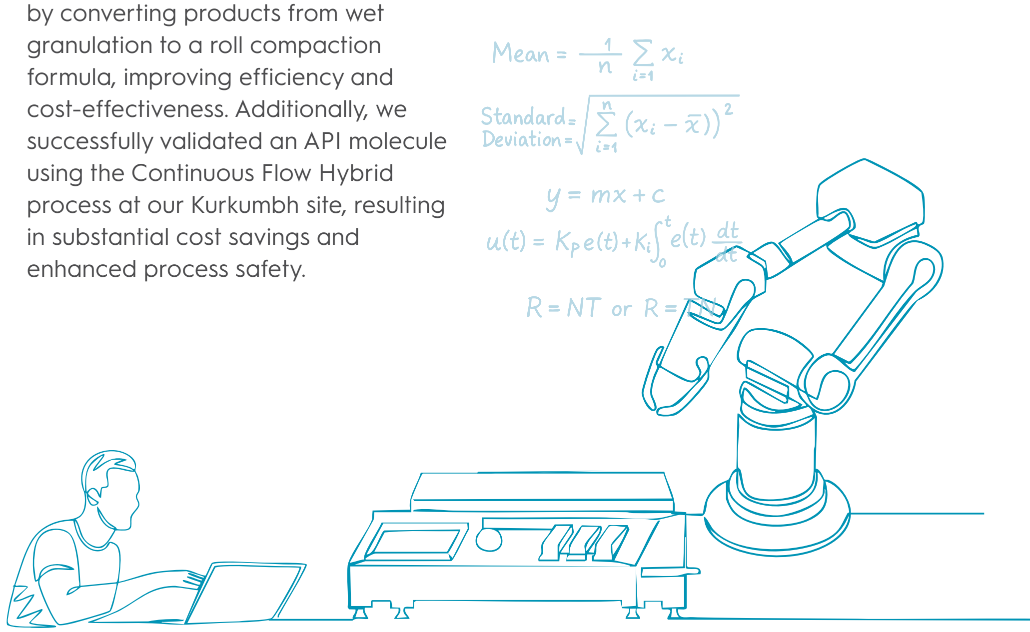
We continuously invest in automation and cutting-edge technologies to enhance operational efficiency, reduce downtime and elevate the overall quality of our products. As we move forward, we foresee a future where smart manufacturing serves as the foundation of our operations, fostering sustainable growth and exceptional precision.

Deploying new technology

At our Goa site, our continuous manufacturing line boasts an installed capacity of 1.5 billion tablets annually, significantly enhancing production efficiency and consistency through automation. Utilising Digital Twin technology, we optimised processes by converting products from wet granulation to a roll compaction formula, improving efficiency and cost-effectiveness. Additionally, we successfully validated an API molecule using the Continuous Flow Hybrid process at our Kurkumbh site, resulting in substantial cost savings and enhanced process safety.

Continued advantage of Industry 4.0

The adoption of Industry 4.0 is delivering significant benefits at Cipla, with advanced analytics interventions resulting in savings of ₹ 1.75 crores at API plants and ₹ 0.41 crores at formulation plants in FY 2024-25.



[3]Information in line with BRSR Question no. 1 under essential indicators of Principle 2 and Question no. 4 under leadership indicators of Principle 6
[4]GRI 3-3

During FY 2024-25 we invested in the following projects as a part of our technology and automation initiatives:

Project	Description	Benefits	Location
SAP Enterprise Asset manager	It enhances the performance of physical assets through real-time insights using IoT, machine learning, mobility and advanced predictive analytics.	Revolutionised asset performance Operational excellence Sustainable operations	Patalganga and Baddi
Distributed Control Systems ('DCS')	Implementation of new DCS to monitor the process critical variables adhering to statutory and regulatory guidelines.	Improved operational efficiency Better data analytics Reduced manual intervention	Patalganga
GenAI Use case	Use of artificial intelligence to simplify the day-to-day operational queries	Improved Root Cause Analysis Rapid Problem Solving Standardised Knowledge Sharing	All Sites
System infrastructure governance and management	This project establishes a structured governance framework for Operational Technology ('OT') infrastructure, ensuring standardisation, security and compliance. It includes policies, access control, network segmentation and system monitoring to enhance reliability and mitigate cyber risks.	Improved system resilience Optimised asset performance Reduced downtime and operational risks	All India based Sites
DG grid synchronisation	It ensures automatic switchover of power output from the government power grid to inhouse diesel generators. This is achieved through improved emergency distribution network by seamless power transfer which helps to optimise power blackouts by 50%.	Improved operational efficiency Improved power reliability Reduced down time	Goa and Sikkim
Upgradation to smart systems	All key sites have been equipped with Datatech Architecture, enabling seamless access to critical information across the application, data leak, analytics and visualisation layer. This improves readability and ensures a smoother flow of information.	Improved operational efficiency Better data analytics	All Sites
Anti-counter feiting features on medicine	For product authentication, Cipla incorporated advanced security measures in its packaging, including multi-colour complex printing on aluminium foil, 3D holograms, microtexts, laser-coded batch details and QR code with randomised numbers.	Improved traceability across the supply chain Operational excellence	Sikkim, Goa and Baddi
Auto Condenser Tube Cleaning System	The Automatic Condenser Tube Cleaning System ('ACCS') continuously removes deposits from condenser tubes.	Maximised reliability Improved operational efficiency	Indore
Mist cooling tower	Advanced cooling system is designed to enhance the efficiency of heat dissipation by utilising louvers to direct airflow and mist to cool the circulating water.	Maximised reliability Improved operational efficiency	Indore

Product Quality and Safety[5]

Our quality targets, goals and focus areas

- All time audit readiness.
- Achieve Right First Time for all manufactured batches.
- Minimise microbiological excursions by ensuring sterile work practices.
- Continuously collaborate to emphasise commitment to quality.

- Close investigations and regulatory audit observations swiftly within defined timelines.
- Improve the effectiveness of Corrective and Preventive Actions ('CAPA').
- Minimise on-site incidents with full adherence to all safety practices.
- Continuously improve the quality culture in the organisation and the supply chain.

- Ensure on-time regulatory filings.
- Strengthen the internal audit process.
- Improve regulatory and compliance expertise of mid-level management to meet quality targets and nurture future leaders.

Quality Highlights

113
External audits

73
Customer inspections

69
Internal audits

40
Regulatory inspections

Regulatory Compliance

At Cipla, we actively collaborate with regulatory authorities across various countries to uphold our commitment to compliance with current Good Manufacturing Practices ('cGMP') and other applicable regulations. As a global pharmaceutical company, we are subject to stringent oversight to ensure that products manufactured in one country strictly continue to meet the highest quality standards and regulatory requirements of the importing country. This is rigorously monitored through regulatory inspections to verify that pharmaceutical products are manufactured in accordance with established quality standards appropriate for their intended use.

During FY 2024-25, we underwent 40 regulatory inspections by major authorities, including the U.S. Food and Drug Administration ('USFDA'), the UK Medicines and Healthcare products Regulatory Agency ('UK MHRA'), the European Medicines Agency ('EMA'), the Therapeutic Goods Administration ('TGA'), Australia, among others. Of which, 34 were onsite, two virtual and four were desk assessments. No critical observations were noted during any regulatory inspection, except for receipt of Form FDA 483 from USFDA, as it does not classify observations as critical, major or minor.

Additionally, the USFDA conducted five inspections at Cipla's manufacturing facilities in Patalganga, Kurkumbh, Goa, Virgonagar and at Goa facility of Medispray Laboratories Private Limited, subsidiary. The Company received 22 Form 483 observations from the inspections at Patalganga, Kurkumbh, Goa, Virgonagar and Medispray. During FY 2024-25, no USFDA Warning Letters were received. The USFDA inspections conducted at Patalganga, Kurkumbh, Goa, Virgonagar, and Medispray (Goa) were successfully concluded with Voluntary Action Indicated ('VAI') classifications, followed by the issuance of Establishment Inspection Reports ('EIRs').

[5]GRI 3-3

Product Life Cycle Management

Product Testing

At Cipla, our unwavering commitment to quality is reflected in our comprehensive testing procedures throughout the product life cycle. We perform rigorous testing on raw materials, in-process substances and finished products to ensure the consistency and safety of our drug offerings.

Each testing protocol is meticulously aligned with relevant pharmacopeial standards and regulatory requirements, reflecting our adherence to the highest industry benchmarks. Our drug products are subject to comprehensive evaluations, including assay, impurity profiling and performance testing. In addition, we proactively address emerging quality and patient safety concerns, such as conducting Nitrosamine testing for both formulations and Active Pharmaceutical Ingredients ('APIs').[6]

Combating counterfeiting of medicines

Cipla is committed to combating counterfeit medicines to protect patient health and ensure product integrity. We utilise physical surveillance, continuous online monitoring, collaborating with e-commerce platforms and enforcement agencies to swiftly identify counterfeit listings and combat "ghost sellers." To enhance product authenticity, we incorporate advanced security features, including multi-color security printing, holograms and laser coding in our packaging, alongside QR codes and pharma codes for traceability. Suspected counterfeit samples undergo chemical analysis to verify active ingredients and in confirmed cases, we promptly notify relevant stakeholders to ensure effective resolution.

Product Recalls[7]

During FY 2024-25, we conducted a total of 26 product recalls. These recalls included six statutory recalls, all classified as Class III and targeted at the wholesale level within the Indian market. Of the remaining, there were 20 voluntary recalls, with 6 classified as Class II (retail level) and 14 as Class III (wholesale level).

Recall reasons encompassed statutory mandates, market complaints, stability failures and findings from internal investigations. Notably, there were no Class I product recalls.

After identifying the root cause, appropriate corrective and preventive actions were implemented across various stages, including manufacturing, packaging, material inspection and vendor controls, to prevent the recurrence of the issue.

Safe Product Destruction

We dispose of hazardous waste, including expired medicines in compliance with the Prevention & Control of Pollution Act, 1981, the Hazardous & Other Wastes (Management & Transboundary Movement) Rules, 2016 and the Biomedical Waste (Management and Handling) Rules, 2016. All our sites are authorised by respective state pollution control boards for hazardous and non- hazardous waste disposal. We also partner with licensed hazardous waste disposal vendors for incineration.

Our drug products are subject to comprehensive evaluations, including assay, impurity profiling and performance testing.

[6]GRI 416-1

[7]GRI 416-2 and Information in line with BRSR Question no. 4 under essential indicators of Principle 9

Pharmacovigilance

Cipla is a global pharmaceutical company conducting pharmacovigilance activities with certain functions outsourced to service providers. While our primary business model relies on Business to Business ('B2B') partnerships, we receive case reports directly from healthcare professionals, patients and caregivers through various channels. Adverse event reporting guidance is available on our website at www.cipla.com/sites/default/files/Adverse-Event-Reporting.pdf.

Our pharmacovigilance processes align with local regulatory requirements and adhere to stringent Standard Operating Procedures ('SOPs') governing adverse events, product complaints and medical information activities. All complaints, whether received via phone or email, are acknowledged, investigated and addressed as per established procedures. Our Corporate Quality Assurance ('CQA') team logs and investigates product complaints.

Preliminary responses are provided within 30 working days for minor complaints and within one working day for major complaints. During FY 2024-25, Cipla received a total of 6,326 customer complaints, successfully resolving 5,489 of them. The Company remains committed to addressing the remaining cases within the established timelines.

The Medical Reviewer analyses causality and severity before the cases proceed to regulatory reporting, ensuring that reports such as CIOMS and MedWatch are submitted within the required timeframes.

Cipla follows Good Pharmacovigilance Practices ('GVP') and local regulations. Routine safety monitoring is conducted as per our Signal Detection SOP, utilising statistical analysis to identify drug-event pairs, with bi-annual reports reviewed in Drug Safety Review Committee meetings.

No product commercialised in India was listed in public medical product safety or adverse event alert databases in response to indications of potentially serious risks or product safety issues from India regulator.

Embracing digitisation and automation[8]

Recognising the critical importance of digitisation and automation, Cipla has embarked on a transformative journey to reimagine quality. We understand that technology is essential for upholding high-quality standards while optimising efficiency and compliance. Our ongoing projects focus on reducing manual errors and variability, enhancing productivity and ensuring effective compliance.

One key initiative is the automation of cleaning validation practices on the Leucine 4.0 platform at our API manufacturing facilities. This initiative aims to achieve right-first-time manufacturing by eliminating redundant data transcription and paper-based documentation, significantly boosting productivity.

Corporate Sterility Assurance Program

In January 2023, Cipla launched the Corporate Sterility Assurance Program, managed by a team of experienced professionals with subject matter expertise, to oversee our sterile manufacturing sites.

The program's broad objectives include:

1. Developing and implementing corporate standards across sterile sites
2. Assessing site procedures and guiding necessary upgrades for compliance
3. Defining and periodically measuring key performance indicators ('KPIs')
4. Conducting Sterility Assurance Quality Management Reviews

This program integrates all functions of the Quality Center of Excellence ('COE')—including assurance, microbiology and statistical analysis—by optimising resources to support ongoing remediation efforts. It has assisted all sterile units in developing their Contamination Control Strategy ('CCS') documents, which is a mandatory requirement for EU GMP by 2024.

[8]GRI 3-3

Quality Management Systems

Cipla's internal audit program, managed by the Corporate Quality Assurance team, conducts audits at manufacturing sites and corporate functions to ensure the effective implementation of quality systems and compliance with procedures. Audits occur at defined intervals based on risk and compliance ratings to identify areas for improvement.

To ensure the delivery of safe and high-quality medicines, Cipla employs a robust Quality Management System ('QMS') that captures process data throughout drug manufacturing and the supply chain. This system, implemented at all Indian sites and at our US Fall River facility, has improved operational robustness, transparency and risk management.

We have also established a comprehensive QMS for drug-device combination products, incorporating SOPs for risk management and design control in compliance with statutory requirements. Additionally, Jay Precision Pharmaceuticals Private Limited, our medical device manufacturing site, has undergone compliance assessments with ISO 13485:2016 by TUV Rheinland, ensuring adherence to quality management standards for medical devices through periodic surveillance audits.

Quality Risk Management

Cipla maintains a strong commitment to quality risk management, striving for continuous improvement across various systems, activities, processes and practices. We have streamlined our systems and processes to ensure full compliance. As part of our SOP simplification efforts, we have reduced various SOPs and truncated many annexures and manual formats to enhance user understanding and implementation. Moreover, effectiveness checks have been conducted on identified corporate SOPs to further improve operational efficiency.

Data Integrity and Security

At Cipla, data integrity and security are integral to our operations. We maintain a robust Information Security Management System ('ISMS') governed by various policies encompassing cybersecurity, data privacy, acceptable usage and incident management. These policies establish clear protocols and consequences for violations, reviewed annually and are accessible to employees. Our Enterprise Privacy Management Policy aligns with global privacy standards such as EU GDPR, SA POPI, US CCAF and India DPDPA, detailing our approach to data subjects' rights.

Our Acceptable Usage Policy outlines proper conduct, while our Incident Management Policy specifies corrective measures for incidents. We adhere to recognised security standards, including NIST, ISO 27001, OWASP and Enterprise Digital Risk Management. These policies are updated annually or as required and are accessible to employees via the intranet. Further, Data Privacy Management Policy can be assessed at https://www.cipla.com/sites/default/files/2023-07/Data-Privacy-Management-Policy.pdf[9]

Data privacy queries can be directed to globalprivacy@cipla.com, with grievances reported to our Grievance Officer at grievance.officer@cipla.com. All incidents are investigated according to internal protocols and our Security Operations Centre employs an Extended Detection and Response ('XDR') platform for 24/7 monitoring and incident reporting. Notably, there was one attempted cybersecurity incident in FY 2024-25. However, there was no loss of data or adverse impact.

In FY 2024-25, we conducted three internal vulnerability assessments and two external penetration tests, supported by a dedicated vulnerability management platform for timely issue resolution, thereby strengthening our information security and cybersecurity framework.

[9]Information in line with BRSR Question no. 5 under essential indicators of Principle 9

Intellectual Capital

Strategic Focus Area:

Innovation and Investment in Research & Development

Our Contribution to Sustainable Development Goals (SDGs)

Key Performance Highlights

₹ 1,536 crore
of R&D Expenditure[1]

158
Cumulative US DMFs

133
New products launched

284
Cumulative ANDAs and NDAs[2]

2,472
Cumulative DMFs

279
Patents granted

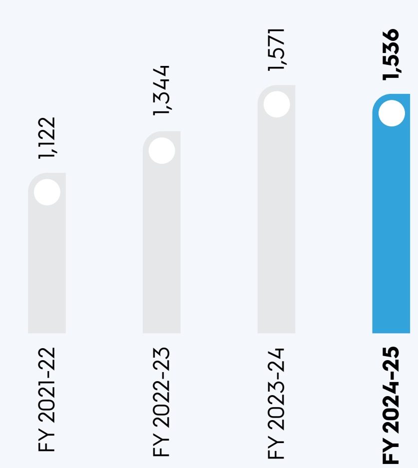
Our Intellectual Capital Philosophy[3]

At the core of our organisation lies a profound belief in the power of intellectual capital. We understand the crucial need to nurture and improve our research and development capabilities. Therefore, we are dedicated to fostering a culture of continuous learning and creative thinking across our organisation. By leveraging the latest technologies and methodologies, we strive to create solutions that are not only cutting-edge but also impactful. Our approach is designed to drive operational excellence and deliver value to our stakeholders around the globe. Through this philosophy, we aim to create a sustainable and innovative future for our organisation and the communities we serve.

Advancing with focused R&D efforts[4]

Our Integrated Product Development (IPD) team, comprising over 1,700 skilled members, supported by five state-of-the-art R&D facilities in the Indian states of Maharashtra and Karnataka as well as in New York, USA, play a crucial role in driving development and innovation. In FY 2024-25, we invested 5.58% of our consolidated revenue to enhance our R&D capabilities, demonstrating our dedication to advancing medical science and technology. This investment aims to develop effective patient solutions and environmentally friendly processes, reinforcing our commitment to sustainability and innovation. Additionally, we seek to pioneer new therapeutic approaches and expand our global reach, ensuring that healthcare remains accessible and affordable.

R&D Expenditure (in ₹ crores)



[1]Operating expenditure including depreciation
[2]Includes under approval, tentatively approved and approved ANDAs, NDAs, PEPFAR ANDAs & NDAs for Cipla Limited, InvaGen Pharmaceuticals Inc. and Partners
[3]GRI 3-3
[4]GRI 3-3 and Information in line with BRSR Question no. 1 under essential indicators of Principle 2

Investing in our R&D skills

We continue to invest in building strong R&D capabilities by enhancing the skills of our IPD teams. In FY 2024–25, we delivered over 5,000 hours of internal training, covering critical topics such as CAR-T Cell Therapy, Nitrosamines, Real-World Data and Evidence, Extractables and Leachables (E&L), Data Integrity, Decentralised Clinical Trials and Finance for Non-Finance.

The IPD Academys focused on high-impact, classroom-based sessions tailored to team needs. We also encouraged participation in external conferences and workshops to build differentiated capabilities.

Enhancing our R&D capabilities

Oligonucleotide Therapies

Oligonucleotide therapies are reshaping the future of medicine and Cipla is at the forefront of this transformation. By developing cost-effective, high-quality alternatives, we aim to democratise access to these advanced treatments, driving both patient impact and long-term value creation. **Our generic oligonucleotide programme is progressing steadily and we will be filing our first ANDA in FY 2025–26**. To support this, we have significantly expanded our global analytical infrastructure, strengthening in-house characterisation and quality control to accelerate innovation and ensure regulatory excellence. Our growing pipeline reflects our unwavering commitment to making oligonucleotide-based therapies more accessible.

Respiratory

Cipla is pioneering the transition to low Global Warming Potential (GWP) propellants in pressurised metered dose inhalers (pMDIs), reinforcing our commitment to environmental sustainability. We are actively developing a suite of products using low-GWP propellants, alongside innovative drug-device combinations across dry powder inhalers (DPIs) and pMDIs. Our advanced capabilities in particle engineering and complex in-vitro characterisation, aligned with global regulatory standards, position us to lead the next generation of sustainable respiratory therapies.

Biosimilars

Cipla continues to advance its mission of delivering affordable, life-changing medicines through its strategic joint venture with Kemwell Biopharma-Aspergen Inc. This partnership boasts a robust and expanding pipeline, now featuring a newly added molecule alongside an advanced-stage candidate. **Leading this portfolio is ASP-100, our flagship biosimilar, which is poised to enter first-in-human trials in FY 2025-26**. Early and constructive engagements with global regulatory bodies have laid a strong foundation for its development. This progress underscores Cipla's innovation-driven approach and its commitment to expanding access to critical biologics worldwide.

Management of our Intellectual Property[5]

We strengthened our innovation pipeline by filing patents for innovative processes, products, drug delivery systems, medical devices, solid forms, and drug repurposing across both national and international markets. These filings reflect our proactive approach to securing future commercial opportunities and reinforcing our leadership in pharmaceutical innovation.

In alignment with our "Caring for Life" philosophy, we adopt a flexible approach to enforcing patent rights particularly for therapies targeting underserved and underdeveloped regions. Notably, in FY 2024-25, we did not file any patents in low-income economies, as defined by the World Bank, underscoring our commitment to equitable access.

We do not own or acquired any intellectual property based on traditional knowledge. Furthermore, we have not received any adverse orders related to intellectual property disputes involving the use of traditional knowledge.[6]

During FY 2024-25, we have filed 20 new patent applications and 22 patents have been granted.

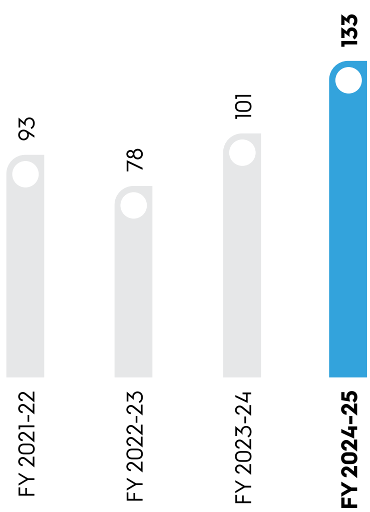
[5]GRI 3-3

[6]Information in line with BRSR Question no. 4 and 5 under leadership indicators of Principle 8

Our Product Portfolio

In FY 2024–25, we continued to strengthen our portfolio with a focused approach to product innovation and market expansion. Our year-on-year product launches reflect our commitment to addressing unmet medical needs, enhancing patient access and driving sustainable growth across key therapeutic areas.

Year-on-Year Product launches



Geography-wise breakup of product launches

India	30
USA	10
Europe	30
One Africa	2
Emerging Markets	61
Total	**133**

Key Product Launches

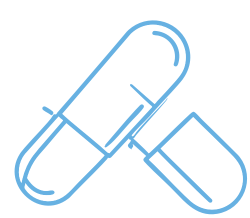
We are proud to introduce a series of innovative, high-impact products across geographies, reinforcing our commitment to accessible and advanced healthcare solutions:

India

- **Glycopyrronium 2ml Respule:** A long-acting muscarinic antagonist (LAMA) for Chronic Obstructive Pulmonary Disease (COPD), this addition enhances our respiratory portfolio by offering sustained bronchodilation, improving lung function and quality of life for COPD patients.
- **Mucinac Oral Solution (N-Acetyl L-cysteine):** Launched via the FSSAI route, this mucolytic agent supports respiratory health by thinning mucus, making it easier to clear airways, ideal for patients with chronic respiratory conditions.
- **Erdostyne (Erdosteine Powder for Oral Suspension):** A novel mucolytic and antioxidant, Erdostyne helps reduce mucus viscosity and inflammation, supporting faster recovery in respiratory infections.
- **Dytor MD (Torsemide Mouth-Dissolving Tablet):** Designed for rapid disintegration without water, this formulation improves convenience and adherence, especially for elderly or bedridden patients. It helps manage fluid overload and high blood pressure.
- **Olaparib Tablets (100 mg & 150 mg):** Targeted therapy for certain types of ovarian and breast cancers, Olaparib inhibits PARP enzymes, offering a precision medicine approach to cancer treatment.
- **Empagliflozin Tablets (10 mg & 25 mg) and Empagliflozin + Linagliptin (10/5 mg & 25/5 mg):** These oral antidiabetics launches were strategically timed on the first day of patent expiry (LoE), offering effective glycemic control with cardiovascular and renal benefits, ensuring timely access to advanced diabetes care.
- **Respiratory Portfolio Expansion:** With six new launches, namely, FORACORT G Synchrobreathe, Glycohale FB Synchrobreathe, FORACORT 200 Ciphaler, FORACORT 400 Ciphaler, Indaflo G 160 Rotacaps, Budecort Synchrobreathe 200 across Dry Powder Inhalers (DPIs) and Metered Dose Inhalers (MDIs), we lead in respiratory innovation, enhancing treatment options for asthma and COPD.

One Africa

- **DAMICAVA PAED (Abacavir 60 mg; Dolutegravir 5 mg; Lamivudine 30 mg) tablets:** We have recently launched this tablet, a new addition to our ARV portfolio, for the treatment of paediatric patients.



USA

- **Lanreotide Injection (60 mg, 90 mg, 120 mg):** We launched Lanreotide Injection as a single-dose, pre-filled, ready-to-inject syringe. It is indicated for the treatment of Acromegaly and Gastroenteropancreatic Neuroendocrine Tumors (GEP-NETs), supporting patients with rare endocrine disorders.
- **Esomeprazole DR Granules (2.5 mg & 5 mg)**: With this launch, Cipla becomes the only company in the United States offering the full range of Esomeprazole strengths—2.5 mg, 10 mg, 20 mg and 40 mg. This comprehensive offering supports tailored treatment for indigestion, heartburn, acid reflux and gastro-esophageal reflux disease (GERD).
- **Three CGT-Approved Injectable Launches:** Under the Competitive Generic Therapy (CGT) pathway, we have launched the following ANDA approved products:
  - **Hydrocortisone Sodium Succinate Lyophilized Injection (100 mg/vial) –** for rapid corticosteroid therapy in emergencies.
  - **Nicardipine RTU Injection (20mg/200 mL & 40 mg/200 mL IV bags) –** ready-to-use antihypertensive for acute care settings.
  - **Phytonadione Injection (1mg/0.5 mL PFS) –** a critical vitamin K formulation for reversing anticoagulant effects.

Emerging Markets and Europe (EMEU)

- **Beclomethasone + Formoterol HFA Inhaler**: This product has received Marketing Approval from TGA-Australia and we have introduced this fixed-dose combination Metered Dose Inhaler (MDI) across other regions covered under Emerging Markets and Europe. It combines an inhaled corticosteroid (Beclomethasone) with a long-acting bronchodilator (Formoterol), offering effective maintenance therapy for asthma and COPD.

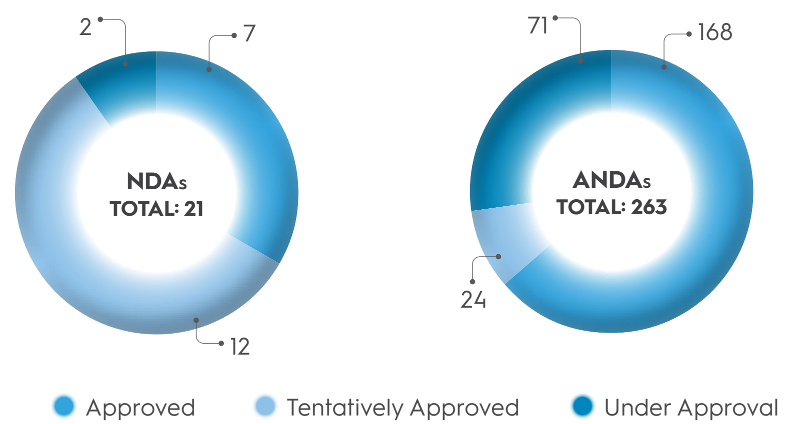
Regulatory Filings

ANDA for FY 2024-25

13 Filed

20 Approved

ANDA and NDA portfolio and pipeline as on 31st March 2025



DMFs and Dossiers for FY 2024-25

Country	DMFs filed	Dossiers filed	Dossiers approved
India	2	9	6
USA	16[7]	13	20
Europe	57[8]	12	46
One Africa	6[9]	74	89
Emerging markets	194[10]	141	91
China	3	7	3
Total	**278**	**256**	**255**

35% of medical products filings of Cipla (drugs, diagnostics, medical devices, or vaccines) have been granted FDA Priority Review/EMA Accelerated Assessment (or equivalent) during last three years.

Regulatory Milestones for FY 2024-25

United States

- **Oncology 505 (b) (2) NDA:** One injectable oncology product indicated for lung cancer was filed and other oral oncology product indicated for leukemia got approval.
- **NCE-1 Filings:** Three strategic filings—two in oncology and one in antifungal therapy—leading to early market entry in high-value segments.
- **Respiratory Expansion:** Filed three MDI products, in inhalation therapies.
- **CGT Injectable Filing:** One injectable product filed under the Competitive Generic Therapy pathway, targeting market exclusivity.
- **Neurology Pipeline Expansion:** We filed a novel injectable formulation for IV infusion aimed at treating aneurysmal Subarachnoid Hemorrhage (aSAH).

Emerging Markets & Europe (EMEU)

- **Respiratory Pipeline Growth:** Multiple filings across EM and EU markets to strengthen our future respiratory portfolio.

Clinical research and development

At Cipla, clinical research and development is a cornerstone of our intellectual capital, driving innovation and excellence. The data and insights gained from our clinical trials and studies become invaluable intellectual property, fostering continuous improvement and innovation in patient care.

Key Highlights from FY 2024–25

- **Strong Performance in Clinical Trials**

  We achieved a **95% success rate in pivotal pharmacokinetic (PK) studies**, reflecting the strength of our study design, execution and scientific rigor. Initiated 36 clinical trials across Phases 2, 3 and 4, including post-marketing surveillance and IIS, involving over 2,000 patients.

  10 clinical trials were completed during FY 2024-25.

- **Regulatory Excellence and Compliance**

  Our commitment to quality was reaffirmed with zero Good Clinical Practice (GCP) observations during US FDA inspections for both a respiratory and a non-respiratory trial, underscoring our adherence to global standards.

- **Respiratory Portfolio Milestone**

  A complex respiratory product successfully met its primary endpoint, demonstrating therapeutic equivalence. This marks a significant step forward in our respiratory pipeline.

- **Expanding into New Therapeutic Frontiers**

  We filed two Investigational New Drug (IND) applications targeting HIV, to focus on high-burden diseases and to deliver next-generation therapies.

- **Pediatric Development Progress**

  We received positive feedback from the US FDA on three pediatric development plans.

- **505(b)(2) Program Advancements**

  Four products under the 505(b)(2) regulatory pathway were granted clinical waivers and three additional products received favourable clinical feedback.

- **Biosimilars Momentum**

  We received approval of one biosimilar products in Australia and we held successful strategic meetings with the US FDA to align on the clinical development plan for Cipla's first biosimilar product.

[7]IIncludes 4 amendments
[8]Includes 21 amendments
[9]Includes 1 amendment
[10]Includes 27 amendments, renewals, 151 – Leverage

- **Afrezza® Approval for Type 2 Diabetes**

  Received CDSCO approval to market Afrezza® Insulin Human Inhalation Powder to improve glycemic control in adult patients with Type 2 Diabetes Mellitus.

- **Advancement in ABPA Treatment**

  Successfully completed the Phase 2 study of Inhaled Itraconazole in Allergic Bronchopulmonary Aspergillosis (ABPA), with a recommendation to proceed to Phase 3.

- **Real-World Evidence (RWE) and Surveys**

  Completed 2 RWE studies (3 ongoing), 31 patient/physician surveys (25 ongoing) and contributed over 100 posters/ presentations at national and regional conferences in India and Europe.

- **Scientific Dissemination and Guidelines**

  Published 25 papers in leading medical journals and supported the dissemination of 4 treatment guidelines across multiple therapeutic areas.

Research Publications

Pulmonary Drug Delivery Research

Our article titled "Optimisation of an in vitro method for assessing pulmonary permeability of inhaled drugs using alveolar epithelial cells" was published in the Journal of Pharmacological and Toxicological Methods (Vol. 128, 2024). This study presents a refined in vitro model that enhances the predictability of pulmonary drug absorption, supporting the development of more effective inhaled therapies.

Crystallography and Polymorph Discovery

- We filed seven Indian Provisional Patent Applications for newly discovered polymorphs.
- Another discovery was featured in peer review article published in high impact factor journal of Royal Society of Chemistry's, Crystal Engineering and Communication (CrystEngComm, vol 26, No 19, 2024).

Engagement with regulatory bodies and collaborations with other companies / institutions

We work closely with the following regulatory authorities globally to ensure our practices align with international standards regarding innovation, scientific discussions, filing prioritisation and lifecycle management for Drug Master Files (DMF), Abbreviated New Drug Applications (ANDA), New Drug Applications (NDA) and Marketing Authorisations.

- **USFDA** – United States Food and Drug Administration, USA
- **DCGI** – Drug Controller General of India, India
- **MHRA** – Medicines and Healthcare Products Regulatory Agency, UK
- **NMPA** – National Medical Products Administration, China
- **WHO** – World Health Organisation
- **TGA** – Therapeutic Goods Administration, Australia
- **SAHPRA** – South African Health Products Regulatory Authority, South Africa
- **ANVISA** – Brazilian Health Regulatory Agency, Brazil
- **EMA** – European Medicines Agency, Netherlands

Additionally, we share our expertise in the standard-setting processes with the European Directorate for the Quality of Medicines and Healthcare and the United States Pharmacopeia to help establish globally recognised standards. By actively engaging in partnerships and regulatory activities, we aim to set industry benchmarks and consistently provide high-quality healthcare solutions worldwide.

Innovations in Active Pharmaceutical Ingredient (API)[11]

At Cipla, innovation in API development is central to our strategy for delivering high-quality, sustainable and cost-effective medicines. Our focus on process optimisation, impurity profiling and advanced pre-formulation research reflects our commitment to scientific excellence and environmental responsibility.

We have implemented robust management practices aimed at enhancing process efficiency, optimising resource utilisation and reducing environmental impact. These initiatives are designed to:

- Lower production costs through smarter resource allocation.
- Minimise waste and emissions by adopting green chemistry principles.
- Ensure long term sustainability while maintaining high quality standards.

This integrated approach enables us to continuously improve our manufacturing processes while aligning with global sustainability goals.

[11]GRI3-3

Impurity Synthesis and Detection

To strengthen our impurity profiling capabilities, we have installed a throughput mass-based peak preparative purification system. This instrument integrates:

- **Single quadrupole mass spectrometry (MS)** for precise compound identification.
- **Photodiode array (PDA) and UV-Vis detection** for comprehensive spectral analysis.
- **Dual ionisation modes (ESI+ and ESI–)** to detect a wide range of impurities, including non-UV active compounds.

This system allows for real-time analysis of both UV and mass spectra, enabling accurate detection and purification of trace-level impurities. It also supports flexible collection triggers, based on wavelength, mass response, or time, enhancing our ability to isolate and characterise critical compounds efficiently.

Cutting Edge Pre-Formulation Lab

We have launched a state-of-the-art pre-formulation lab to deepen our understanding of polymorph behavior and excipient interactions. This facility is equipped with advanced analytical tools, including:

- Malvern-3000 for particle size distribution.
- Dissolution apparatus for in-vitro release profiling.
- Karl Fischer auto titrator for moisture content analysis.
- High-performance liquid chromatography (HPLC) systems for compound quantification.

The lab focuses on:

- Characterising novel polymorphs and their stability.
- Studying interactions between excipients and active pharmaceutical ingredients (APIs).
- Generating data to support regulatory submissions, especially for bioequivalence and physicochemical similarity.

Green Chemistry Initiatives: Driving Sustainable Innovation

At Cipla, our commitment to sustainability is deeply embedded in our innovation strategy. Through targeted green chemistry initiatives, we are reducing environmental impact, enhancing operational efficiency and ensuring regulatory compliance, while continuing to deliver high-quality pharmaceutical products.

Waste Management and Safer Chemical Practices

We have taken proactive steps to reduce environmental impact by replacing hazardous solvents with safer alternatives like water, isopropanol and liquid cleaner in key processes. We ensure compliant disposal of solvent waste through certified vendors. Additionally, we have phased out the use of highly hazardous chemicals such as acetyl chloride, thionyl chloride, sulphuryl chloride and $POCl_3$, supported by strong regulatory justifications. These measures have improved safety, reduced environmental risks and lowered testing and analysis costs.

Energy Efficiency and Equipment Optimisation

We have upgraded our laboratory infrastructure with energy-efficient equipment featuring power-saving and sleep modes. Regular maintenance ensures optimal performance and prevents energy waste. By streamlining sample testing through combined and batch methods, we have reduced instrument run times and resource usage. Additionally, enhancements to our scrubber systems have lowered energy consumption, minimised environmental impact and extended equipment lifespan.

Solvent Reduction and Cost Efficiency

We developed a scalable downstream purification process for an excipient that dissolves easily in both water and common solvents. This method eliminates the need for column chromatography, significantly reducing solvent usage and environmental impact.

Technological Enhancement

We modified our jet milling equipment to minimise agglomeration caused by static charge buildup, thereby eliminating potential safety risks. This enhancement has improved grinding efficiency, enhanced product quality and reduced material handling losses, contributing to safer and more efficient operations.

Human Capital

Strategic Focus Areas:

- Creating Leaders for the Future
- Employee Health and Safety
- Promoting Diversity
- Continuous Learning and Development

Our Contribution to Sustainable Development Goals (SDGs)

5 GENDER EQUALITY

8 DECENT WORK AND ECONOMIC GROWTH

10 REDUCED INEQUALITIES

Key Performance Highlights

1,00,000+

hours devoted to volunteering activities

32.79

average training hours per person

88%

succession covers for critical senior management roles

Great Place To Work®
Certified
FEB 2025-FEB 2026
INDIA ™

Certified seven years in a row

Awards and Recognitions

Society for Human Resource Management ("SHRM") Award for Excellence in People Analytics and Excellence in Community Impact

Recognised with the award for 'India's **Best Employers Among Nation-Builders 2024**'

ET Human Capital Award for Excellence in HR Business Transformation

Our Human Resource Philosophy[1]

At Cipla, we believe that our people are our greatest strength. By empowering our teams, we ensure that our workforce is equipped to drive innovation and uphold our purpose of "Caring for Life". While this core purpose remains our guiding principle, our employee value proposition, "Make Every Life Thrive" represents our promise and commitment to our people.

make every life thrive

[1]GRI 3-3

Our Diverse Workforce[2]

We pride ourselves on having a vibrant team from different generations, nationalities, genders, skills and abilities. With presence in 18 countries and six continents, our team's wide-ranging knowledge and skills help us serve our patient needs efficiently and effectively. Along with our permanent workforce, we also employ workers on a temporary contractual basis for on-site roles such as packaging, operational line-work, loading/unloading and other tasks.

Workforce Overview - by Gender, Age and Workforce Categories

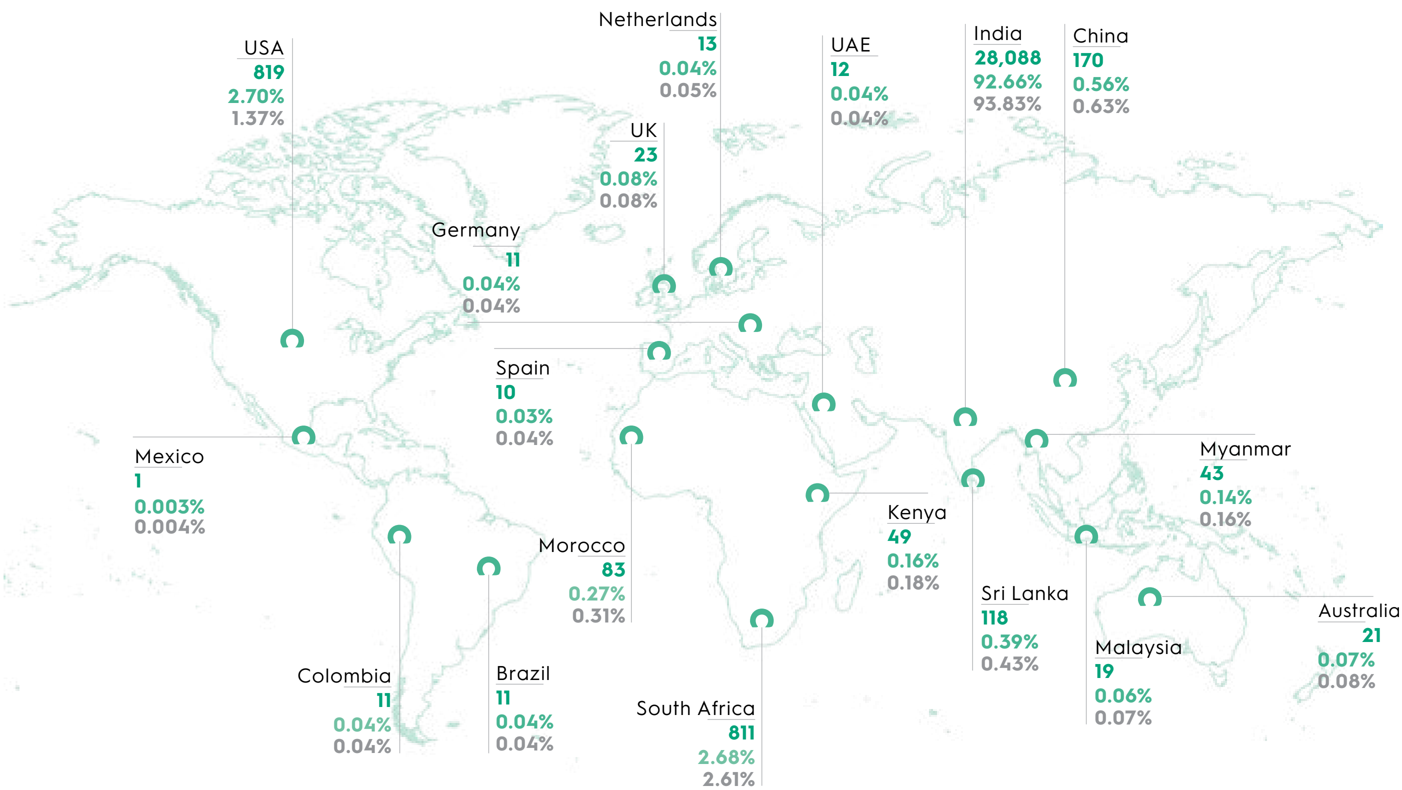
Category	<30 years		30-50 years		>50 years		Male		Female		Total
	Male	Female	Male	Female	Male	Female	Nos.	%	Nos.	%	
Permanent Employees											
Top Management	-	-	3	-	5	1	8	88.89	1	11.11	**9**
Senior Management	-	-	75	15	78	17	153	82.70	32	17.30	**185**
Middle Management	280	83	4,192	557	249	75	4,721	86.85	715	13.15	**5,436**
Junior Management	8,734	1,859	9,084	1,448	206	85	18,024	84.16	3,392	15.84	**21,416**
Associates / Non-Management	19	22	165	80	122	42	306	68.00	144	32.00	**450**
Indian Subsidiaries	659	139	1,282	259	90	22	2,031	82.86	420	17.14	**2,451**
Permanent Workers											
Workers	11	8	138	53	111	45	260	71.04	106	28.96	**366**
Total Permanent Workforce (a)	**9,703**	**2,111**	**14,939**	**2,412**	**861**	**287**	**25,503**	**84.13**	**4,810**	**15.87**	**30,313**
Non-Permanent Employees											
Non-Permanent Employees	2,114	889	2,399	564	136	28	4,649	75.84	1,481	24.20	**6,130**
Non-Permanent Workers											
Non-Permanent Workers	4,069	791	2,693	878	267	48	7,029	80.37	1,717	19.63	**8,746**
Total Non-Permanent Workforce (b)	**6,183**	**1,680**	**5,092**	**1,442**	**403**	**76**	**11,678**	**78.50**	**3,198**	**21.50**	**14,876**
Grand Total (a)+(b)	**15,886**	**3,791**	**20,031**	**3,854**	**1,264**	**363**	**37,181**	**82.28**	**8,008**	**17.72**	**45,189**

Differently abled Employees and Workers[3]

Particulars	Total	Male		Female	
		Nos	%	Nos	%
Permanent Employees	5	3	60.00	2	40.00
Permanent Workers	1	1	100.00	-	-
Total	**6**	**4**	**66.67**	**2**	**33.33**

[2]GRI 2-7, GRI 2-8, GRI 405-1 and Information in line with BRSR Question no. 20(a) of Section A
[3]Information in line with BRSR Question no. 20(b) of Section A. Data for differently abled employees and workers under the non-permanent category is not available with the Company.

Country-wise Headcount for Permanent Employees and Workers as on 31st March 2025[4]



30,313

Total Number of permanent employees and workers

Number of permanent employees and workers

Share in total workforce (as % of total workforce)

Share in all management positions, including junior, middle and senior management (as % of total management workforce)

Building Blocks of Our Employee Value Proposition

Our Employee Value Proposition is built on three foundational pillars that define and guide every employee's journey. Effectively communicating and embodying these pillars is vital to attracting, engaging and retaining both current and prospective talent.

inspiring pioneers | championing care | nourishing careers

Inspiring Pioneers

We inspire pioneers to identify areas for innovation within our systems, products and processes, to build a culture of continuous improvement. Our commitment to innovation and progress is steady, as we strive to create an impact in everything we do.

[4]GRI 2-7

Technology Adoption to Bolster Human Resource and Employment Engagement

Cipla is leveraging technology to make HR and employee engagement smarter and more effective. Key initiatives include:

AI models to accelerate hiring and enhance decision-making in the recruitment process

Digitalisation of the FY 2024–25 Annual Review Cycle to automate manual processes, enhance data security and leverage advanced analytics for informed decision-making.

Diversity dashboards help track work force trends, while our expat database supports more effective planning for global employee movement

Wellbeing apps like Mfine and Amaha to support employees' physical, mental and financial health

Sentiment analysis using GenAI to analyse manager feedback and performance ratings

Enhanced AI-powered MiDAS ChatBot to enable real-time goal tracking

Celebrating Differences

Cipla is actively advancing diversity by taking deliberate steps to increase the presence of women and other underrepresented communities within the organisation.

We support the LGBTQ+ community with medical insurance coverage for their partners and parents and conduct awareness workshops

Accessibility is a priority for us and our infrastructure facilities across offices and site locations comply with accessibility standards[5]

We celebrated the International Day of Persons with Disabilities (IPWD) and PRIDE to build inclusivity and sensitise employees

For differently-abled individuals, we ensure unbiased hiring practices and offer internships through our Training and Educational Centre for Hearing Impaired ("TEACH") programme. Our Equal Opportunity Policy, drafted in accordance with The Rights of Persons with Disabilities Act, 2016, safeguards their rights and ensures equal opportunities for growth and success. The policy can be accessed from this link https://www.cipla.com/sites/default/files/2023-07/Equal-Opportunity-Policy.pdf. [6]

We are committed to fostering an inclusive workplace through targeted leadership development programmes, diversity hiring and Employee Resource Groups ("ERGs"). Women Inspired Network-WIN at Cipla is one such ERG initiative that empowers women to connect and advance their careers. It offers mentorship and networking events, cultivating a strong sense of community and support among female employees.

[5]Information in line with BRSR Question no. 3 under essential indicators of Principle 3
[6]Information in line with BRSR Question no. 4 under essential indicators of Principle 3

Diversity Policy

Our diversity policy is a commitment to building an inclusive and equitable workplace where diversity is embraced and embedded in everything we do. It includes clear goals, forward-thinking strategies and robust systems for tracking progress and accountability.

The priorities are overseen by the Inclusion and Diversity Council, led by our Managing Director and Global CEO. Meeting quarterly, the Council reviews industry trends, best practices and identifies areas for improvement within our Company.

Our Strides toward Women's Wellbeing

- Maternity Leave/ Miscarriage/ Tubectomy Leave
- Flexi-field Days Policy
- Child Care policy
- Pay Equity Audit
- Unconscious Bias Workshops and Inclusion Toolkit
- Travel Support for Female Employees
- Inclusive Etiquette Sensitisation Workshops

Our Diversity Indicators FY 2024-25

15.87%
Share of female employees in the total permanent workforce

17.01%
Share of women in top management positions (as % of total top management positions)

15.96%
Share of women in junior management positions (as % of total junior management positions)

23.62%
Share of women in STEM-related positions (as % of total STEM positions)[7]

15.41%
Share of women in all management positions, including junior, middle and top management (as % of total management positions)

12.37%
Share of women in management positions in revenue generating functions (e.g. sales) as % of all such managers

Championing Care

We believe in creating a space where everyone in Cipla can bring their true selves to work, shaped by warmth and respect. When we impact an employee's life, the effect extends beyond them to their families and friends. Through the various initiatives, volunteering and our commitment to care, we strive to make a meaningful difference in the lives of those we touch and beyond.

Holistic Approach

Guided by a strong commitment to social and environmental responsibility, we ensure our workforce remains engaged and motivated to make positive contributions to society and the planet. A perfect example of this was our Wellbeing-Carnival initiative.

Well-being Carnival

Our Well-being Carnival has been a distinctive initiative, offering a holistic approach to employee well-being. The event brought together a range of activities—from health check-ups and interactive wellness stalls to a unique financial investment simulation experience. By blending physical, mental and financial well-being into an engaging and enjoyable format, the carnival cultivated awareness and encouraged healthier lifestyle choices among employees.

[7]Considered % of women in roles that require a STEM qualification mandatorily and not % of women from total employees with a STEM qualification

At Cipla, we look at health and wellbeing from a physical, mental and financial perspective, as illustrated below

MENTAL

- Access to AMAHA Platform Courses
- Manager Sensitisation Programs
- One-on-One Counseling Sessions
- Green Band Initiative
- Mental Health Week Challenge

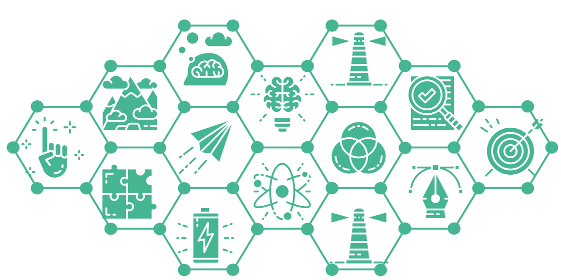
PHYSICAL

- Walk2Fit Step Challenge
- Fitness Programs
- Health Screenings

FINANCIAL

- MiEarned Salary Program
- MiCare Fund
- All Things Money (ATM) for Financial Management
- Data-Driven Insights from Insurance Claims
- Access to Financial Advisors and Budgeting Tools

Our employee wellness strategy is designed to comprehensively address mental and financial well-being. Through initiatives like the Green Band Initiative, we are actively tackling the stigma surrounding mental health by promoting open conversations and community support. Our collaboration with the AMAHA platform offers valuable resources for managing depression, anxiety and stress. In terms of financial wellness, we have introduced innovative solutions such as MiEarnedSalary, which allows for emergency salary withdrawals and 'All Things Money' ("ATM"), which aids in life-stage financial management. These initiatives help us build a resilient and thriving workforce.



Positive Outcomes of our Well-being programmes:

Enhanced Employee Morale and Productivity: Our well-being initiatives have significantly boosted employee morale and productivity, as reflected in the impressive 91% score in the MiVoice engagement survey, indicating that our employees feel genuinely cared for.

Improved Mental Health: The tailored sessions on the AMAHA platform have been instrumental in helping our employees manage stress and anxiety effectively, leading to better mental health outcomes.

Fostering a Culture of Appreciation

We have implemented a variety of rewards and recognition programmes in FY 2024-25 to enhance employee satisfaction and drive business success.

The Applause platform is an automated rewards and recognition system that simplifies acknowledging employee achievements, boosting morale and motivation.

Our Long Service Awards honour enduring commitment and loyalty, with special recognition for key milestone achievements.

Employee Benefits and Policies[8]

Our benefits and policies are a critical cornerstone of our culture, through which employees can achieve their best potential. Far surpassing basic guidelines and services, they are meticulously crafted to cultivate a supportive and empowering workplace. In harmony with our foundational philosophy of "Caring for Life", these thoughtfully curated policies and benefits are designed to promote the well-being and success of our employees. Below is a summary of these exceptional offerings:

Time away from work

Different types of leave

- Maternity
- Paternity
- Gender-neutral adoption
- Transfer
- Sabbatical
- Medical
- Accidental
- Compassionate

Inclusive ecosystem

- Medical Insurance for self, spouse, children, live-in partners, same-sex partners and their respective parents and parents-in-law
- Day care, creche and lactation facilities
- Gender-neutral Washrooms
- Accessibility facilities for differently abled colleagues

Flexibility and community well-being

- Flexi working guidelines for corporate offices
- Employee financial well-being
- Employee volunteering policy

Family support

- Financial assistance in the event of death of employees/workers
- Education merit awards for children of employees

An Overview - Employee and Worker Well-being and Benefits

These comprehensive set of tables below provide insights into the parental leave usage, well-being measures and retirement benefits offered to employees and workers. It highlights the coverage of health and accident insurance, maternity and paternity benefits and day care facilities. Additionally, it details the percentage of employees and workers benefitting from these measures, alongside the financial allocation towards well-being initiatives.

Details of Parental Leave availed by Employees for FY 2024-25[9]

No. of employees who availed parental leave in FY 2024-25		No. of employees who were due to return to work in the reporting period after parental leave ended		No. of employees who returned to work in the reporting period after parental leave ended		Out of the employees who returned to work, how many have completed 12 months after returning to work		Return to work rate (in %)			Retention rate (in %)		
Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Total	Male	Female	Total
1,443	170	1,438	162	1,434	162	1,217	124	99.72	100	**99.75**	79.96	86.11	**80.49**

[8]GRI 401-2

[9]GRI 401-3 and Information in line with BRSR Question no. 5 under essential indicators of Principle 3. This data pertains to permanent employees and workers of Cipla Limited and Indian subsidiaries. During FY 2024-25 parental leave was not availed by any of the permanent workers

Details of measures for the well-being of employees and workers for FY 2024-25[10]

Category	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Percentage of employees covered by											
Permanent employees											
Male	24,047	24,047	100	24,047	100	NA		24,047	100	10,972	45.63
Female	3,919	3,919	100	3,919	100	3,919	100	NA		3,919	100
Total	**27,966**	**27,966**	**100**	**27,966**	**100**	**3,919**	**100**	**24,047**	**100**	**14,891**	**53.25**
Other than Permanent employees											
Male	4,441	NA		4,231	95.27	NA		NA		948	21.35
Female	1,343	NA		1,121	83.47	NA		NA		438	32.61
Total	**5,784**	**NA**		**5,352**	**92.53**	**NA**		**NA**		**1,386**	**23.96**
Percentage of workers covered by											
Permanent workers											
Male	97	97	100	97	100	NA		97	100	97	100
Female	25	25	100	25	100	25	100	NA		25	100
Total	**122**	**122**	**100**	**122**	**100**	**25**	**100**	**97**	**100**	**122**	**100**
Other than permanent workers											
Male	6,995	NA		6,944	99.27	NA		NA		5,279	75.47
Female	1,690	NA		1,686	99.76	NA		NA		1,393	82.43
Total	**8,685**	**NA**		**8,630**	**99.37**	**NA**		**NA**		**6,672**	**76.82**

Spending on well-being measures (employees and workers)[11]

Particulars	FY 2024-25	FY 2023-24
Cost incurred on well-being measures as a % of total revenue of Cipla	0.41%	0.37%

Retirement Benefits for the current and previous financial year [12]

Benefits	FY 2024-25			FY 2023-24		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority	No. of employees covered as a % of total employees	No. of workers covered as a % of total worker	Deducted and deposited with the authority
Provident Fund	100	100	Yes	100	100	Yes
Gratuity	100	100	NA	100	100	NA
ESI	4.89	-	Yes	5.42	-	Yes

[10]GRI 401-2 and Information in line with BRSR Question no. 1(a) and 1(b) under essential indicators of Principle 3. This data is specific to Cipla Limited and its Indian Subsidiaries
[11]Information in line with BRSR Question no. 1(c) under essential indicators of Principle 3. This data is specific to Cipla Limited
[12]GRI 401-2 and Information in line with BRSR Question no. 2 under essential indicators of Principle 3. This data is specific to permanent employees and workers of Cipla Limited and its Indian subsidiaries excluding Jay Precision Pharmaceutical Private Limited

Nourishing Careers

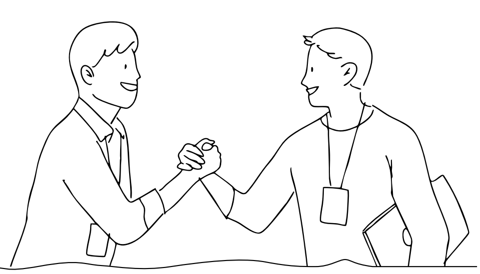
We believe growth is meaningful when it is holistic and extends beyond ourselves. By nurturing talent and providing a training ground for development, we instil pride and empower our people, promoting an environment where growth is both personal and professional.

Identifying the Right Talent

At Cipla, our dedication to excellence transcends our products, it is woven into the fabric of our values, leadership, and culture. We empower our internal workforce through Internal Job Postings (IJP), fostering growth and career progression from within. We also engage in external hiring via professional networks, recruitment partners, campus drives, and digital platforms to attract diverse, skilled candidates. This blended approach is supported by a structured evaluation process that emphasises capability, cultural alignment, and growth potential—ensuring we build a workforce that reflects our values and drives our mission forward.

Talent Acquisition

Talent acquisition at Cipla involves recruiting skilled individuals aligned with our strategic goals, enhancing innovation and standards in the pharmaceutical industry. Career development offers growth opportunities through training, mentoring, and skill enhancement, building a motivated workforce and contributing to Cipla's success. Both are essential for maintaining our competitiveness and achieving long-term objectives.



ALIVE

Our flagship campus program, ALIVE (Aspire, Learn, Innovate, Voice, Engage), welcomed Management Professionals to Cipla in FY 2024-25, focusing on grooming them for managerial roles. The 6-month experiential learning journey introduced in FY 2022-23 for the Young Managers Programme ("YMP") enhanced the programme's effectiveness and reflected in positive experience scores and social media stories. Furthermore, ALIVE has strengthened its brand presence by achieving a minimum 2.5 times increase in organic follower growth over the past two years, resulting in greater reach on platforms such as LinkedIn and Instagram.

No. of Hires– ALIVE FY 2024-25

11 Tech IPD + **35** Tech M&Q + **27** YMP = **73** Total

NEEV

We have strengthened NEEV, our flagship Work Integrated Learning Programme, creating a steady talent stream for frontline roles in Operations while providing associates with a unique 'Earn and Learn' opportunity. Collaborations with BITS Pilani and Manipal Institute of Technology have allowed us to tailor a curriculum to our needs, achieving a 95% retention rate of enrolled students. Since the launch in FY 2021-22, NEEV has expanded to include **246 associates** advancing academically and professionally through the programme.

Total New Joiners in FY 2024-25[13]

Category	<30 years		30-50 years		>50 years		Total
	Male	Female	Male	Female	Male	Female	
Permanent workforce							
Top Management	-	-	-	-	-	-	**-**
Senior Management	-	-	3	2	6	2	**13**
Middle Management	83	36	563	87	16	10	**795**
Junior Management	4,532	837	824	157	7	8	**6,365**
Associates/ Non-Management	15	12	32	9	14	7	**89**
Indian Subsidiaries	367	78	238	21	12	1	**717**
Total	**4,997**	**963**	**1,660**	**276**	**55**	**28**	**7,979**

In FY 2024-25, our average hiring cost per employee was pegged at **₹25,662.**

[13]GRI 401-1

Nurturing Talent for Tomorrow[14]

Talent Central: Digitising Talent Management Process

This year, we launched Talent Central, a digital tool that equips mid and senior-level managers with real-time talent insights. With 86% active engagement, it has sharpened talent identification and strengthened ownership of talent development. By involving a broader pool of managers across Cipla, Talent Central has enriched talent reviews and deepened career and development plans for our talent pool.

Talent Review Board: Strengthening Leadership and Succession

The Talent Review Board is a three-tiered system that calibrates talent, drives succession planning and aligns top talent with business priorities, ensuring smooth leadership transitions and business continuity. In FY 2024-25, we achieved 88% succession coverage for critical senior roles, with 67% of senior management positions filled via succession plans. This has resulted in **1,350 internal movements** and **76 global assignments**, strengthening our leadership pipeline.

Talent Development

Cipla is deeply committed to nurturing talent and building future-ready leaders through a wide range of development programmes.

Cipla Leadership Essentials

Our Cipla Leadership Essentials—Collaborate to Succeed, Innovate to Excel, Perform with Accountability, Lead with Empathy and Act with Agility ("C.I.P.L.A.")—are at the heart of our leadership culture, shaping how we identify and nurture talent. So far, we have trained 15,000 associates, equipping them with the right skills and behaviours. To reinforce this commitment, **9,850 recognitions** have been shared by associates internally, celebrating those who bring these values to life every day.

CLAP: Cipla Leadership Ascent Program

CLAP
CIPLA LEADERSHIP ASCENT PROGRAM

The "Cipla Leadership Ascent Programme" is a 10-month executive education initiative designed in partnership with Cornell University to empower our leaders and foster organisational growth. The programme addresses critical aspects of leadership and business excellence.

In FY 2024-25, **25 leaders** from across departments were selected to participate in the programme.

Leadership Academy

The Leadership Academy is pivotal in developing essential skills for management and effective leadership across levels. The **Ignite programme** enhanced technical skills and productivity, engaging 607 employees and contributing to a 15% increase in Leadership Academy coverage. **Leaders as Coaches and LeadX** built managerial and interpersonal capabilities, with participation rising by 17%. **Leap** designed for first-time managers, aimed at developing foundational leadership skills essential for their transition into leadership roles, trained **437 participants**. These outcomes reflect Cipla's strong commitment to continuous learning, leadership excellence and future-ready talent development.

OLAP

The Operational Leadership Alignment Program ("OLAP") was created to promote open communication and collaboration across teams. With the objective of strengthening the synergies between Manufacturing and Quality functions, over 50 Operational Leaders met for two days to strategise, harmonise and unleash the power of our site teams.

iGROW

iGROW is a dynamic platform designed to cultivate careers and enhance competencies across the sales hierarchy. It prepares employees for future roles through a structured, merit-based assessment process, complemented by comprehensive role transition support. By strengthening internal talent mobility, iGROW plays a key role in building a future-ready workforce.

In FY 2024–25, a total of **2,027** employees participated in this journey —demonstrating a strong commitment to personal growth and organisational excellence.

Highlights

16,59,366

Overall training hours

₹ 3,884

Average amount spent on learning and development of each permanent employee and worker

15%

Overall Leadership Academy coverage in FY 2024-25 increased

---

[14]GRI 404-2

Policy and Compliance Training

Upholding compliance and governance is crucial for maintaining the highest ethical and professional standards at Cipla. We accomplish this by ensuring that employees are well-versed in the relevant policies, procedures and required actions. Our mandatory training programmes encompass critical areas such as Pharmacovigilance, Prevention of Sexual Harassment, the Code of Conduct, Prohibition of Insider Trading and Human Rights, among others. These initiatives not only cultivate continuous improvement thereby ensuring a safe and supportive work environment that is ethical and compliant.

Category-wise Training Hours for FY 2024-25*

Particulars	Average training hours		
	Male	Female	Total Average
Permanent Employees			
a. Top Management	6.06	12.67	**7.26**
b. Senior Management	22.89	13.89	**21.40**
c. Middle Management	37.99	20.45	**35.65**
d. Junior Management	39.90	33.43	**38.91**
e. Associate / Non-Management	0.89	1.38	**1.04**
f. Indian Subsidiaries	16.69	16.52	**16.66**
Permanent Workers	7.70	6.24	**7.27**
Non-Permanent Employees	8.72	9.03	**8.79**
Non-Permanent Workers	0.30	0.45	**0.33**
Total	**27.60**	**19.54**	**26.22**

Details of Skill Upgradation Training of Employees and Workers[15]

Category	FY 2024-25			FY 2023-24		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	34,600	34,464	99.61	31,471	29,854	94.86
Female	6,874	6,226	90.57	5,856	5,405	92.30
Total	**41,474**	**40,690**	**98.11**	**37,327**	**35,259**	**94.46**
Workers						
Male	7,300	1,974	27.04	6,967	3,717	53.35
Female	1,830	501	27.38	1,750	604	34.51
Total	**9,130**	**2,475**	**27.11**	**8,717**	**4,321**	**49.57**

*GRI 2-24, GRI 404-1, Average training hours excludes trainings provided on employee, health and safety

[15]Information in line with BRSR Question no.8 under essential indicators of Principle 3. This data includes employees/workers who were active and separated during the year

Performance Excellence and Talent Retention

Career Growth and Development - Performance Management

At Cipla, we believe that the intersection of passion and purpose is the foundation of a thriving, future-ready workforce. Our people strategy is designed to cultivate this synergy, creating an environment where individuals are empowered to grow, contribute and lead with impact.

- Professional growth through structured promotions, internal mobility, and skill diversification
- Prioritising employee well-being through our inclusive and supportive culture
- Championing inclusion and diversity at our workplace
- Continuous development and emphasis on lifelong learning, with leadership programmes and personalised learning pathways available at every level

Eligible Permanent Employees who received Performance and Career Development Reviews[16]

Category	FY 2024-25			FY 2023-24		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	25,243	22,843	90.49	23,252	21,135	90.89
Female	4,704	3,898	82.87	4,127	3,304	80.06
Total	**29,947**	**26,741**	**89.20**	**27,379**	**24,439**	**89.26**

Note: Performance appraisal is conducted for all employees who have joined on or before 31st December 2024, and trainees confirmed on or before 31st December 2024. Further, the employee must be on the payroll of the organisation as on 31st March 2025.

Attrition[17]

Maintaining a stable and engaged workforce is a key focus at Cipla. Over the past three years, we have closely monitored and managed attrition. The following data provides a snapshot of employee attrition during this last three years.

Category	FY 2024-25			FY 2023-24			FY 2022-23		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	16.43	2.40	**18.83**	16.41	2.33	18.74	19.37	2.60	**21.96**
Permanent Workers	2.93	1.86	**4.79**	4.34	1.45	5.79	2.50	-	**2.50**

[16] GRI 404-3 and Information in line with BRSR Question no. 9 under essential indicators of Principle 3
[17] GRI 401-1 and information in line with BRSR Question no. 22 of Section A

Turnover Rate for permanent employees and workers (FY 2024-25)

18.65%
Total

17.39%
Voluntary

Employee Relations and Compliance

We foster open dialogue and teamwork through various engagement initiatives. Our annual global employee survey measures job satisfaction, purpose, happiness, stress and well-being.

In FY 2024-25, an outstanding 70% of our employees were actively engaged, resulting in a remarkable **engagement score of 91%**. This accomplishment not only exceeds our target of 90% but also underscores our unwavering commitment to nurturing a supportive and inclusive workplace environment.

Our #WeAreListening Grievance Redressal Committee is dedicated to promptly and effectively address employee concerns. Guided by our Code of Conduct and Employee Grievance Policy, we provide clear procedures for raising issues, cultivating trust and accountability. In India, a self-reporting system allows direct communication with leadership, enhancing transparency and swift resolution. In the South Africa, Sub-Saharan Africa and Cipla Global Access (One Africa) regions, grievance handling aligns with internal policies and the Employment Equity Act for fairness and compliance. In the USA, the Open Door Policy empowers employees to voice concerns to the management or HR.[18]

Details on Minimum Wage Payment to Permanent Employees and Workers[19]

Category	Total (A)	More than legally mandated minimum wages	
		Total Coverage (B)	% (B/A)
Permanent Employees			
Male	24,027	24,027	100
Female	3,915	3,915	100
Permanent Workers			
Male	97	97	100
Female	25	25	100

Note: Payment of minimum wages to non-permanent employees and workers is the responsibility of the respective contractor

Upholding Human rights

We are profoundly committed to championing human rights through our operations. Our policies prohibit discrimination and harassment, advancing a secure and respectful work environment for all employees. The Human Rights Policy can be accessed at: https://www.cipla.com/sites/default/files/2023-07/Human-Rights-Policy.pdf

Our business agreements mandate adherence to all relevant laws, conventions and policies encompassing human rights requirements.[20] Through our Whistleblower Policy, stakeholders can report concerns to the Ethics Committee Chairperson or Chief Internal Auditor at ethics@cipla.com.[21] We maintain a zero-tolerance stance against retaliation towards complainants or whistle-blowers,

[18]Information in line with BRSR Question no. 6 under essential indicators of Principle 3
[19]Information in line with BRSR Question no. 2 under essential indicators of Principle 5. This data is specific to Cipla Limited and Indian subsidiaries.
[20]Information in line with BRSR Question no. 9 under essential indicators of Principle 5
[21]Information in line with BRSR Question no. 4 and 5 under essential indicators of Principle 5

ensuring their protection throughout and beyond the investigation process.[22] We have trained all our permanent employees, contractual employees and security guards through classroom and on-line training.

During FY 2024-25, we conducted a comprehensive review of our human rights policies, focusing on issues like child labour, forced labour, freedom of association, right to collective bargaining, equal remuneration, employee health and safety and discrimination. We conduct independent assessments of all our locations on a three-year cycle to ensure comprehensive coverage of our operations. This year, we completed audits and human rights assessments for major Indian sites, several foreign locations, and depots in India in line with SA 8000 standards. Over the next two years, we plan to assess the remaining sites and offices to achieve 100% coverage. These assessments encompassed our entire workforce, emphasising risks for minors, children and women.[23]

The findings confirm that our procedures for safeguarding human rights are satisfactory, with no significant issues noted. Prompt corrective and preventive actions for identified human rights risks are swiftly implemented across all our facilities.

In FY 2024-25, there were zero instances of workplace discrimination, child labour, forced or involuntary labor, or non-payment of proper wages. Details of complaints regarding other issues during FY 2024-25 and FY 2023-24 are provided in Question no. 25 of Section A of the BRSR on page no. 172 of this report.[24]

In FY 2024-25, 100% of our security personnel in India received training on human rights policies and procedures.[25] Our dedicated grievance redressal mechanisms, coupled with fair and prompt investigation protocols, regular training sessions, and awareness initiatives, ensure that all our sites, facilities and offices are effectively equipped to address any potential human rights risks or concerns.

Human Rights Training[26]

Category	FY 2024-25			FY 2023-24		
	Total (A)	No. of employees/ workers (B)	% (B/A)	Total (C)	No. of employees/ workers (D)	% (D/C)
Employees						
Permanent	35,344	26,687	75.51	32,410	26,221	80.90
Other than permanent	6,130	1,338	21.83	4,917	815	16.58
Total Employees	**41,474**	**28,025**	**67.57**	**37,327**	**27,036**	**72.43**
Permanent Workers						
Permanent	384	167	43.49	405	175	43.21
Other than permanent	8,746	3,782	43.24	8,312	3,979	47.87
Total Workers	**9,130**	**3,949**	**43.25**	**8,717**	**4,154**	**47.65**

Labour Management[27]

We prioritise workforce well-being and rights, complying with labour laws in all regions of operations. We support employees' rights to freely associate with and engage in collective bargaining, maintaining regular dialogues with labour unions to address issues. In India and the One Africa region, worker representation is significant, while U.S. operations comply with the National Labor Relations Act. We operate without risks of child labour, forced labour, or threats to workers' association freedom. Collective bargaining agreements outline minimum notice periods, such as one week per year of employment in the One Africa region, as per Section 189 of the Labour Relations Act. We have implemented a comprehensive system to manage contract labour compliance across India's manufacturing sites, ensuring efficient and regulatory-compliant operations.[28]

[22]GRI 403-2 and Information in line with BRSR Question no. 8 under essential indicators of Principle 5
[23] Information in line with Question no. 10 under essential indicator of Principle 5 and BRSR Question no. 2 under leadership indicators of Principle 5
[24]GRI 406-1 and Information in line with BRSR Question no. 6 under essential indicators of Principle 5
[25]GRI 410-1, GRI 2-24
[26]Information in line with BRSR Question no. 1 under essential indicators of Principle 5. This data includes employees/workers who were active and separated during the year
[27]GRI 2-30, GRI 407-1, GRI 408-1, GRI 409-1
[28]GRI 402-1

Union and Association Memberships[29]

Category	FY 2024-25			FY 2023-24		
	Total workers in respective category (A)	No. of workers who are part of associations or unions (B)	% (B/A)	Total workers in respective category (C)	No. of workers who are part of associations or unions (D)	% (D/C)
Male	260	260	100	271	271	100
Female	106	106	100	114	114	100
Total Permanent Workers	**366**	**366**	**100**	**385**	**385**	**100**

Our Health and Safety Culture[30]

Occupational Health and Safety ("OHS") and the wellbeing of our workforce is integral to Cipla.[31] We are committed to maintaining a safe and healthy work environment through strict safety standards and proactive risk management. Our comprehensive Environment, Health and Safety ("EHS") policy ensures regulatory compliance, continuous improvement and extends its coverage to all employees and the communities we operate in—reinforcing our commitment to holistic stakeholder wellbeing.

We are committed to providing a safe and healthy workplace for all our workforce. This commitment is clearly mentioned in our EHS policy. We encourage our workforce to report any unsafe acts or conditions on site to ensure we always have safe workplace. We actively encourage our workforce to share their views and participate in safety-related decision-making. Employees are represented on various committees, including the Safety Committee, Canteen Committee and Transport Committee, among others. We have established a well-equipped Occupational Health Centre, supported by a cardiac ambulance and a full-time doctor, to ensure timely medical attention and emergency care for our workforce. We organise annual medical checkups for all our workforce at manufacturing and R&D units to check their health conditions and suggest corrective measures if any.[32]

Life Safety Rules ("LSR")

In 2024, we updated our Life Safety Rules (LSRs), essential guidelines aimed at preventing workplace injuries and fatalities, strengthening our safety culture and reducing operational risks. Compliance with the LSRs is mandatory. Any non-compliance will be addressed in accordance with company policy, while consistent adherence will be duly recognised. Beyond regulatory requirements, the LSRs now form an integral part of our "license to operate".

EHS Management System and Policy[33]

At Cipla, we are committed to the highest standards of safety, health and environmental responsibility. Our EHS Policy aligns with statutory requirements, ISO 14001 and ISO 45001 standards and global best practices across all operations, including manufacturing and R&D. Qualified EHS professionals leads risk assessments to reduce hazards to As Low As Reasonably Practicable ("ALARP") levels, following a structured hierarchy of controls. All manufacturing sites in India are ISO 14001 and ISO 45001 certified without exclusions.

We nurture a proactive safety culture by encouraging prompt reporting of incidents, near-misses and unsafe conditions through accessible reporting channels. In FY 2023–24

[29]Information in line with BRSR Question no. 7 under essential indicators of Principle 3
[30]GRI 3-3
[31]Our definition of "workforce" includes employees and contractors
[32]Information in line with BRSR Question no. 12 under essential indicators of Principle 3
[33]GRI 403-1, Information in line with BRSR Question no. 10 (a) under essential indicators of Principle 3
[34]Information in line with BRSR Question no. 13 under essential indicators of Principle 3

and FY 2024-25, no complaints were reported related to working conditions or health and safety.[34]

We encourage our people to report all unsafe conditions and incidents, no matter how minor, and empower them to halt work if it is unsafe. Continuous monitoring supports proactive decisions. All incidents undergo root cause analysis, with corrective actions implemented. Our "Learning from Incident" forum shares insights across sites, enabling replication of solutions across all other sites. Performance is benchmarked against industry standards to drive improvement. Sharing safety results foster accountability, informed decisions and a culture of ownership.

To address safety-related incidents and significant risks identified from assessments of health and safety practices, we have implemented several practices. We have included all high-risk safety tasks into our newly formulated 15 life safety rules to give focused attention. This includes PTW system, confined space entry, work at height, lifting rigging and various other important elements related to personal safety. Focused training and validation programmes are in place to authorise workforce who can approve such critical tasks. This year, we re-evaluated our protocols for confined space entry and working at height, focusing primarily on ladder and scaffolding use, to ensure alignment with OSHA and local legal requirements. As a result, we have implemented additional safety controls.[35]

Additionally, we have introduced two level audit mechanism, Management audit and operational audit, to assess maturity of EHS systems. These assessments identify gaps, if any and ensure high level of compliance.

Site Assessment during FY 2024-25[36]

EHS audits

76
Internal audits
(frequency six months)

15
External audits
(Once in a year for certification)

Percentage of our manufacturing units assessed by third parties:[37]

83%
Health and safety practices

17%
Working Conditions

People Safety[38]

We are committed to ensuring a safe and healthy workplace, recognising its importance for a productive workforce. In line with ISO 45001 Section 6.1.2, each site conducts an annual Occupational Safety and Health ("OSH") Hazard Identification and Risk Assessment ("HIRA") for both routine and non-routine tasks. This collaborative process involves process owners, safety professionals, engineers and workers to ensure thorough hazard identification and effective controls.[39]

Over the past year, we significantly enhanced our HIRA processes, focusing on accuracy and efficiency. Key improvements include:

- Standardised frameworks adopted across all Indian sites for consistent risk assessment
- Regular reviews based on incidents, audits, and schedules to ensure updated risk controls
- Revised EHS standards aligned with national and international standards

We involve operators and subject matter experts throughout the HIRA process. This ensures that most of the risks are mitigated at the design itself and ensures ownership of impacted stakeholders. The Hierarchy of Controls, starting from elimination and ending with PPE, is applied to address hazards at the source, with effectiveness confirmed through audits and continuous monitoring.

To strengthen workforce competency, we focus on training and development, performance evaluation and certifications.

Process Safety

To minimise personnel exposure to new molecules, we conduct comprehensive Process Hazard Analyses ("PHAs"), including New Product Introduction reviews, Hazard Studies and Containment Control Strategy Assessments. These help identify appropriate engineering, containment, operational controls and PPE. Risk-based medical surveillance complements legal requirements to monitor health impacts.

We use digital tools like PHA Pro and Bowtie to enhance process safety, with cross-functional teams—guided by safety experts—conducting key risk assessments. In-house toxicologists support potent molecule evaluations, while ongoing training and external expertise strengthen hazard mitigation capabilities.

[35] Information in line with BRSR Question no. 15 under essential indicators of Principle 3
[36] GRI 403-1, Overseas locations other than CMM Durban are not certified for ISO 45001/ISO14001
[37] Information in line with BRSR Question no. 14 under essential indicators of Principle 3
[38] GRI 403-2
[39] Information in line with BRSR Question no. 10 (b) under essential indicators of Principle 3

Our four-stage Process Risk Assessment framework includes:

HS 1 – Process Safety Information

HS 2 – HAZID/ HIRA

HS 3 – HAZOP

HS 4 – Pre-Startup Safety Review (PSSR)

We have implemented Process Safety Management (PSM) procedures across sites, covering workplace monitoring, critical equipment management, powder and thermal hazard evaluation, chemical hazard management, and PSSR.

Training and Awareness[40]

Safety Trainings

We follow a structured approach to safety through comprehensive training and awareness programmes that educate workforce on workplace hazards, safe practices, PPE use and emergency response. In FY 2024-25, **9,899 EHS trainings** were conducted across classrooms, LMS and interactive kiosks, covering occupational health, industrial hygiene, safety, environment and sustainability. Specialised sessions by external experts and accredited agencies reinforced a safety-first culture, while third-party programmes enhanced technical knowledge and compliance. All permanent employees, contract workers and security personnel were trained through both in-person and online modules.

Training on Occupational Health and Safety[41]

OHS Training	Employees		Workers		Total
	Male	Female	Male	Female	
Average no. of workforce trained	13,035	981	8,223	1,016	23,255
Man-hours of training provided/(Employee/year)	15.2	15.2	12.4	12.4	14.1

Details about the safety committees and their meetings are as follows[42]

Name of the committee	Level(s) at which the committee(s) typically operate	Number of members during FY 2024-25		Frequency of meetings
		Non-management/ Workers' Representative	Management	
Central Safety Committee	Plant Level	589	2,203	Quarterly
Department Safety Committee	Department Level	2,131	15,559	Monthly
Contractor Safety Committee	Plant Level	1,375	440	Quarterly

Workers Engagement and Reporting

Worker engagement is a key pillar of our Occupational Health and Safety ("OHS") Management System. Workers actively contribute to risk assessments, safety committees, incident investigations and awareness campaigns, offering valuable frontline insights. We support their involvement through training, workshops, BBS observations and safety surveys, fostering transparency and continuous improvement. Structured channels like safety suggestion boxes and the MySetu platform enable anonymous and real-time reporting, while regular forums such as toolbox talks ("TBTs") and safety meetings encourage open dialogue—strengthening our safety culture and ensuring a safe and responsive work environment.[43]

[40]GRI 403-5
[41]GRI 403-5 and Information in line with BRSR Question no. 8 of essential indicator under Principle 3
[42]GRI 403-4
[43]Information in line with BRSR Question no. 10 (c) under essential indicators of Principle 3

Details of Employees and workers who are not in an employment relationship with the organisation, their work and/or workplace is controlled by the organisation[44]

Number of such workers	Coverage by OHS System	Internal Audit Coverage	External Audit/ Certification Coverage	Exclusions
9,240 Contractual workmen	Our OHS system covers all workers and employees.	All contract workers at our Cipla India manufacturing and R&D sites are covered by internal audits.	All contract workers at our Cipla India manufacturing and R&D sites are covered by external audits. These audits are conducted annually.	None. Applicable OHS systems based on risk are implemented for Distribution and India Business.

Health Promotion and Non-Occupational Health Initiatives[45]

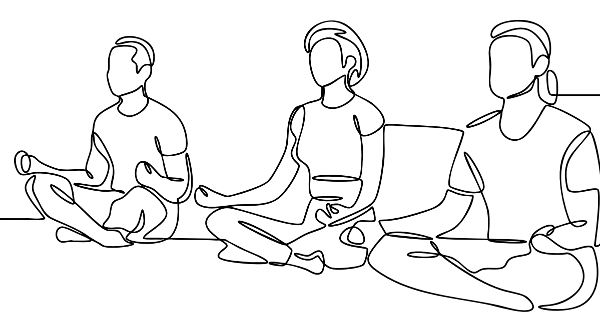
We support the holistic well-being of our workforce, recognising that health goes beyond occupational safety. To guide year-round health initiatives, we have developed a structured 'Health & Wellness Calendar' that promotes overall wellness.

This calendar focuses on addressing lifestyle-related diseases and promoting a culture of preventive healthcare. In addition to occupational health services, we also provide non-occupational health services, which include treatment for general illnesses and access to preventive consultations.[46]

The following programmes are conducted under our Health & Wellness Calendar:

- BMI improvement campaigns
- "I Am Fit" and Step Challenges
- Health education via infographics and workshops
- Cervical Cancer screenings in collaboration with government agencies
- Stress Management, Blood Sugar Awareness, and Heart Health tests
- Nutrition awareness initiatives like Health Thali Challenge

As part of our Health & Wellness Calendar, Cipla sites offer voluntary programmes on nutrition, women's health, kidney care, CPR training and more. To support daily well-being, hygienic and subsidised meals are provided through on-site canteens. A dedicated Employee Assistance Program ("EAP") helpline also supports mental health, stress, and personal well-being—reflecting our commitment to holistic well-being.



[44]GRI 403-8
[45]GRI 403-6
[46]Information in line with BRSR Question no. 10(d) under essential indicators of Principle 3

Road Safety Initiatives[47]

We have a comprehensive Road Safety Policy covering road safety aspects. This ensures drivers and workforce who travel on business drive and travel safely. Road safety policy includes minimum mandatory requirements for both hired vehicles and personally owned two wheelers used for business travel. We have gone beyond the legal requirements by implementing seat belts in passenger seats for buses used for commute in certain sectors. All drivers who drive on company business undergo road safety training and we monitor driving behaviours of drivers who drive Company-owned cars and buses, particularly on high-risk routes.

Incident Management and Performance Monitoring

Incident Investigation and Corrective Action

Incidents at Cipla are managed through a defined SOP that categorises incident types and outlines the investigation process. A software-driven system ensures timely formation of Root Cause Analysis ("RCA") teams, which use standard methods to identify causes and define Corrective and Preventive Actions ("CAPAs"). These are reviewed by senior leadership based on criticality. To prevent recurrence, CAPAs from serious incidents are shared and implemented across all manufacturing sites, including Global CAPAs for Medical Treatment Cases ("MTCs") and Lost Time Incidents ("LTIs"). Critical incidents are further discussed in Learning from Incidents ("LFI") meetings with EHS leaders, fostering cross-site learning, accountability and continuous improvement.

Details of Safety Related Incidents[48]

Safety Incident	Category	FY 2024-25	FY 2023-24
Lost Time Injury Frequency Rate ('LTIFR') (per one million-person hours worked)	Employees	0.20	0.15
	Workers	0.22	0.15
Total recordable work-related injuries	Employees	19	14
	Workers	9	10
No. of fatalities	Employees	0	0
	Workers	2	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	1
Rate of recordable work-related injuries (per one million person-hours worked)	Employees	0.64	0.51
	Workers	0.40	0.50

Note: Lost Time Injury Frequency Rate (LTIFR) = (No. of lost time injuries in FY x 10,00,000)/(Total hours worked by all staff in same FY)

Following the fatality incident, we conducted a comprehensive review of all critical operations and reinforced safety barriers with a strong focus on plant, people and process.

Work related to ill heath[49]

During FY 2024–25 and FY 2023–24, Cipla reported zero cases of work-related ill health across its employees and workers, including no fatalities, no recordable cases and no other illness-related incidents—demonstrating a strong commitment to occupational health and preventive care.

Continuous Improvement and System Evaluation

Our OHS management system is data-driven, enabling continuous monitoring and improvement. We regularly review key performance indicators such as incident rates, near misses, training participation, Behavioral Observation Safety ("BOS") data, audits and compliance metrics to identify patterns and implement corrective actions. All Cipla sites follow 52 EHS standards.

To assess and enhance system maturity, we started a two-tier Assurance Programmes this year:

- Operational Audits evaluate how well standards are implemented at site level
- Management Audits assess the overall maturity of EHS systems, governance, and compliance. Year-on-year improvement in audit scores is a key target

Occupational Health Infrastructure[50]

All manufacturing and R&D facilities are equipped with dedicated Occupational Health Centres ("OHCs"), operational 24/7 and staffed by certified Factory Medical Officers.

These centres provide:

- Emergency medical care and referrals via well-equipped ambulances
- Outpatient consultations for occupational and general health issues
- On-site first-aiders available in every shift

[47]GRI 403-7
[48]GRI 403-9, Information in line with BRSR Question no. 11 under essential indicators of Principle 3. In FY 2024-25 the scope for reporting boundary for this data also includes data from green field manufacturing Project sites.
[49]GRI 403-9, GRI 403-10
[50]GRI 403-3

Relationship Capital

Strategic Focus Areas:

- Access to medicine
- Patient support initiatives and health awareness
- Sustainable supply chain
- Digitisation

Contribution to Sustainable Development Goals

3 GOOD HEALTH AND WELL-BEING

17 PARTNERSHIPS FOR THE GOALS

Highlights

5.5 million

respiratory patients screened through BreatheFree Programme

2 lacs+

interactions with HCPs for fostering knowledge exchange

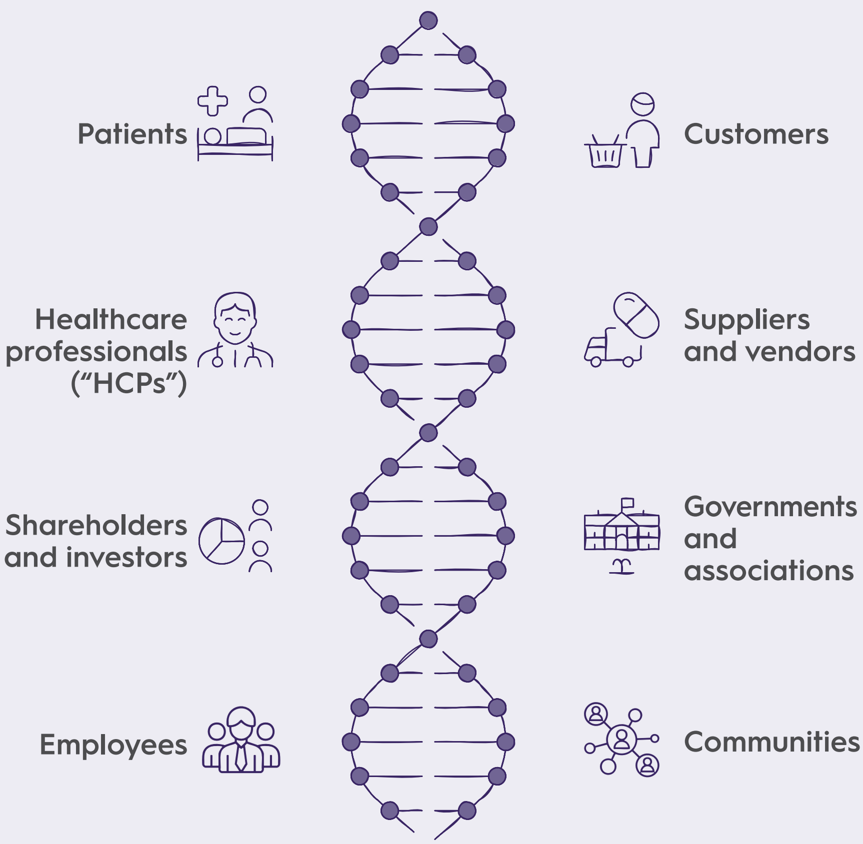
~36.19%

of our total procurement expenditure is from ESG audited suppliers

Our guiding philosophy on Relationship Capital management[1]

In all interactions—whether with patients, research institutions, or suppliers—our Company places a strong emphasis on stakeholder engagement and ethical responsible business practices. By adhering to these core values, our Company strives to make a positive impact on healthcare ecosystems globally, ultimately benefiting the patients.

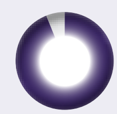
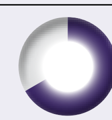
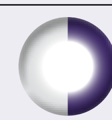
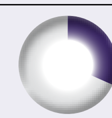
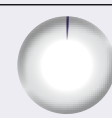
Our key stakeholders include



Improving access to medicine[2]

Our Company is dedicated to adopt a compassionate and empathetic approach to medicine and healthcare. Our motto, "Caring for Life", reflects our commitment to inclusive healthcare by making medicines accessible to everyone.

Currently, we manufacture drugs that address approximately 45% of the diseases listed on the World Health Organisation's ("WHO") Essential Medicines List.

Non-communicable diseases		94%
Anti-bacterial resistance pathogens		66.67%
Maternal and neonatal health conditions		50%
Communicable diseases		31.82%
Neglected tropical disease		0.05%

The Company also has 32 products listed in WHO List of Prequalified Medicinal Products as part of WHO Prequalification of Medicines Programme ("PQP") which is used by international procurement agencies to guide bulk purchasing of medicines for distribution in resource limited countries. The list of products is available on the website of WHO.

[1]GRI 3-3
[2]GRI 3-3

Access to healthcare programs and patient support initiatives[3]

Our Company has adopted a multidimensional approach that includes mass awareness campaigns and patient support initiatives. Some of the important campaigns and patient support initiatives during FY 2024-25 were:

Name	Purpose	Beneficiaries for FY 2024-25*
Breathefree	Raising awareness and facilitating screening of patients suspected of having Obstructive Airway Diseases ("OADs"), helping them to initiate their treatment journey.	• With a robust network of over 1,500 educators, Breathefree has provided guidance to more than 4.5 million patients in India. • Additional 5.5 million individuals were screened through outreach efforts like Breathefree Yatra and camps in India. • In Nepal, over 4,500 patients were screened for OADs and an additional 9,000 patients were screened in Sri Lanka through Breathefree camps to initiate their treatment journey. • #Hari Husmak ("the right breath"), an influencer awareness campaign in Sri Lanka, had a reach of ~3.3 million, which is estimated to have resulted in generation of more than 8,100 calls, 4,400 appointments and 3,000 confirmed visits.
Breathefree digital educators	Breathefree digital educators enables continuous digital education and assistance for patients on correct technique for usage of inhalers, nebulizers, and nasal sprays through 24/7 support service, AI avatar and video calling feature.	• Trained over 1.2 million patients in FY 2024-25. • 450+ digital educator counselling sessions in Nepal have estimated to have resulted over 500+ QR code scans and 200+ patient calls.
Metabolic and BPH camps	Enhance awareness and improve the diagnosis of Metabolic Disorders and Benign Prostate Hyperplasia ("BPH").	More than 700 camps were organised in Nepal and Sri Lanka, screening over 21,000 patients.
Access to diagnosis	Launch of Spirofy to improve access to Chronic Obstructive Pulmonary Disease diagnosis.	Diagnosed ~4000 patients in tier two and three towns of Nepal.
Giggle campaign	To encourage parent education in pediatric asthma.	In Sri Lanka, Myanmar and Nepal, ~4000 parents were educated through 95 in-clinic and five in-school initiatives.

*internal records and estimates

[3]GRI 3-3

Nurturing strategic partnerships

Our Company is committed to expanding its medical knowledge and enhancing our range of products by forming strategic alliances with leading organisations and innovators in science and healthcare.

The key partnerships for FY 2024-25 were:

Therapy area	Partner	Details
Diabetes	MannKind Corporation, USA	Launch of Afrezza®—a needle-free, rapid-acting inhaled insulin—transforming diabetes management in India and improving patient comfort and accessibility.
Ophthamology	Formosa Pharmaceuticals Inc.	Introduced clobetasol propionate ophthalmic suspension in 11 countries, expanding access to advanced post-operative eye care.
Infectious diseases	Orchid Pharma Limited	Launched of Cefepime-Enmetazobactam, for the treatment of complicated Urinary Tract infections, Hospital-Acquired Pneumonia and Ventilator-Associated Pneumonia indications.
Gastroenterology	Takeda Pharmaceutical Company Limited	Launch of Vonoprazan in India, a next-gen acid blocker offering a treatment for Gastroesophageal Reflux Disease and related conditions.

Pledge to Our Customers

Our dedication to our customers spans a diverse range, including B2B and institutional partners, channel partners, government entities and individual consumers.[4] By embracing a customer-centric strategy, our Company strives to enhance value, foster sustainable growth and make a positive impact on society.

Channel partners

Channel partners play a crucial role in ensuring the efficient distribution and accessibility of Cipla's medicines to patients and caregivers. Through digital engagement platforms and grievance redressal mechanisms, our Company fosters strong, transparent relationships that support wider product availability, timely communication on new launches and effective resolution of partner feedback—strengthening the overall supply chain and service delivery.

B2B and institutional partners

B2B and institutional partners are crucial for the sale and marketing of our products to reach patients across the globe. Our Company engages with the B2B and institutional partners through industry conferences and periodic meetings. This enables the Company to collaborate and provide vital medicines to patients by leveraging its infrastructure capabilities.

Feedbacks and surveys[5]

Clear communication channels, coupled with customer satisfaction surveys during the Over The Counter ("OTC") product launch process, provide Cipla with valuable feedback, ensuring the robustness of the product development process. Products undergo rigorous consumer testing before launch to incorporate consumer feedback and are continuously assessed post-launch for ongoing improvement and understanding of market acceptance. Recognising consumers' substantial online presence, Cipla also regularly collects feedback through e-commerce and D2C platforms for OTC products.

Quality, safety and marketing practices

Cipla's Corporate Quality Assurance system, which comprises well-defined Standard Operating Procedures ("SOPs"), is periodically updated to address customer complaints regarding product quality. An advanced customer complaint tracking system allows Cipla to securely maintain customer data and conduct thorough investigations. All products are regarded as significant and the quality team evaluates the health and safety impact of each product with the same level of precision.[6]

[4] GRI 2-6 and information in line with BRSR Question no. 19(c) of Section A
[5] Information in line with BRSR Question no. 4 under leadership indicators of Principle 9
[6] GRI 416-1

Transparency is paramount and our Company is committed to providing accurate and balanced information about our products, including their safety efficacy and appropriate use.[7]

Our product labelling follows all applicable regulatory norms and any additional information subject to specific product and packaging requirements.[8] During FY 2024-25, there were no incidents of non-compliances with regulators and/or voluntary codes concerning product labelling resulting in fine or penalty or warnings.[9]

Our marketing practices are governed by robust ethical principles and applicable laws and regulations. There were no cases filed or pending against our Company concerning unfair trade practices, irresponsible advertising or anti-competitive behaviour in FY 2024-25.[10] Our Company also takes concrete steps to educate the customers, including the vulnerable and marginalised segments, on the safe and responsible use of our products and services.

Commitment to Healthcare Professionals ("HCPs")

Our Company is committed to maintaining ethical interactions and fostering knowledge exchange with HCPs. Our Company engages with HCPs through various physical and digital mediums with the objective of enhancing awareness and providing training for better patient outcomes. During FY 2024-25, our Company has engaged with two lacs+ HCPs through various forums, including but not limited to educational conferences, Continuing Medical Education programmes, regional webinars and advisory boards. In turn, HCPs offer us invaluable insights into the clinical aspects of diseases, treatment responses and patient perspectives, enriching our understanding and enhancing our collaborative efforts in healthcare.

Policy Advocacy[11]

Cipla adopts a transparent and responsible approach to policy advocacy, engaging constructively with governments and regulatory authorities. Our efforts are guided by the objective of shaping a regulatory environment that supports equitable access to medicines and improved public health outcomes.

All advocacy initiatives are conducted in compliance with applicable laws, regulations and industry standards and are aligned with globally recognised ethical frameworks. Cipla's advocacy strategy prioritises patient wellbeing and is shaped by the relevance and impact of evolving policy and regulatory developments, with a focus on access to medicines, public health and healthcare system strengthening. As a global pharmaceutical leader, Cipla acknowledges its responsibility to advocate for policies that advance patient interests both in India and internationally.

In global markets, our engagement extends to relevant ministries, embassies and the Indian Ministry of External Affairs. Advocacy efforts are focused on critical issues such as improving access to affordable, high-quality medicines, reducing trade barriers and promoting global market access.

Some of the major industry associations that the Company is currently a part of:

India

- Indian Pharmaceutical Association ("IPA")
- International Generic and Biosimilar Medicines Association ("IGBA")
- Confederation of Indian Industry ("CII")
- Federation of Indian Chambers of Commerce & Industry ("FICCI")
- Federation of Pharma Entrepreneurs ("FOPE")
- Pharmaceutical Export Promotion Council ("PHARMEXCIL")
- Federation of Indian Export Organisations ("FIEO")
- Indian Drug Manufacturers' Association ("IDMA")

Africa

- Generics & Biosimilars Medicines of South Africa ("GBMSA")
- Fédération Marocaine de l'Industrie et de l'Innovation Pharmaceutiques ("FMIIP"), Morocco

USA

- Association of Accessible Medicines ("AAM")
- Healthcare Distribution Alliance ("HDA")
- Community Oncology Alliance ("COA")

South America

- Asociación Nacional De Empresarios De Colombia, Colombia

[7] Information in line with BRSR Question no. 2 under leadership indicators of Principle 9
[8] GRI 417-1 and Information in line with BRSR Question no. 4 under leadership indicators of Principle 9
[9] GRI 417-2
[10] GRI 206-1, GRI 417-3
[11] GRI 2-28, Information in line with BRSR Question no. 1 under essential and leadership indicators of Principle 7

Safeguarding Shareholder Interests

At Cipla, our focus is on maximising shareholder value by consistently engaging with our investors. Our Company maintains transparency and build trusts through regular interactions, including earnings calls, presentations, meetings and conferences.

Cipla's commitment to maintaining effective risk management and strict adherence to regulatory requirements strengthens shareholder confidence. Through rigorous governance protocols, our Company addresses investor concerns with its Investor Servicing and Grievance Redressal Policy. For a comprehensive overview of our communications with shareholders, please see the Report on Corporate Governance on page no. 191 of this Report.

Responsible Supply Chain Management

Sustainable Supply Chain[12]

Sustainability is a core element of our supply chain management strategy, ensuring environmental and social responsibility from sourcing to delivery. By aligning supplier practices with advanced ESG criteria, our Company empowers suppliers to address risks, reflecting our "Caring for Life" ethos. Please refer Value creation model on page no. 22 of this report to understand our Company's core business functions and pillars.

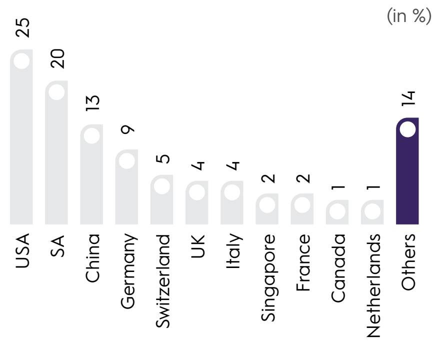
Our Responsible Sourcing Policy supports lifecycle integration of sustainable and ethical practices. It emphasises diversity, rigorous assessments and sustainability evaluations, covering compliance, ethics, product quality, environmental sustainability, health and safety, human rights and governance. By partnering with compliant suppliers, our Company enhances efficiency, mitigates risks and contributes positively to the economy and community.

Supplier distribution

Categorising suppliers helps us to identify performance issues early and implement risk management strategies, enhancing value chain resilience. Critical suppliers are key partners whose goods are essential to our operations, play a significant role in revenue generation and are involved in high-value contracts.

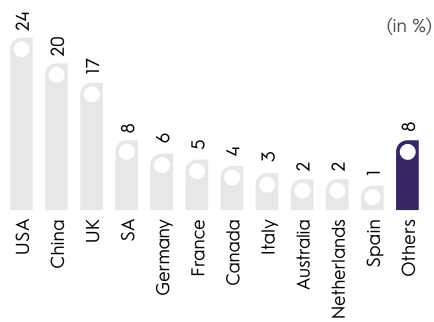
The Company has more than 8,250 tier 1 upstream and downstream suppliers (more than 8,300 for FY 2023-24) of which 566 (571 for FY 2023-24) are critical suppliers, accounting for 77% of the total spend on tier 1 suppliers.

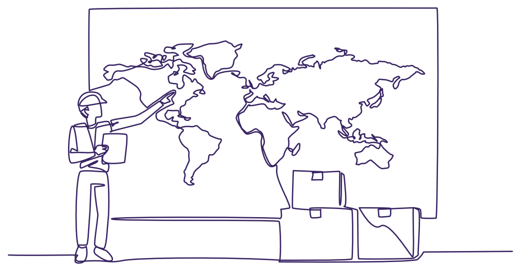
Almost 90% of our total suppliers around the globe are based in India. The remaining 10% of our suppliers' geographical distribution is provided below:



Distribution of our procurement spends[13]

Indian suppliers account for 72% of our global procurement spend. The breakup of geographical expenditure for 28% of the remaining suppliers is provided below:





Local sourcing

Our Company aims to engage with small producers, vulnerable and marginalised groups and local suppliers to enhance our supply chain resilience and contribution to the local economy. During FY 2024-25, 72% of our procurement budget (65% for FY 2023-24) was spent on 610 local suppliers[14] for our manufacturing facilities globally. Furthermore, 8.9% of input material was sourced from MSME suppliers, in comparison to 9.2% in FY 2023-24.[15] Such efforts enhance the reduction of our carbon footprint while strengthening local economies and creating a supply chain that is efficient and environmentally responsible.

[12] GRI 3-3, 2-6

[13] Information in line with BRSR Question no. 4 under essential indicators of Principle 8

[14] GRI 204-1. We define local as 'local to the country of operation (India, South Africa and USA)'

[15] Information in line with BRSR Question no. 4 under essential indicators of Principle 8

Engagement with suppliers[16]

Our Company has developed an ESG framework that evaluates suppliers on sustainability maturity and supporting alignment with our standards. Various engagement processes followed by our Company are:

Supplier Code of Conduct

Description	Reach during the year
• Our updated Supply Chain Management Sustainability Policy and Supplier Code of Conduct ("SCoC") establish standards for reducing adverse environmental impacts and creating fair labour practices and safe working conditions and promoting human rights. Suppliers are required to adhere to these guidelines and pursue continuous improvement.	• 1,761 vendors (205 critical suppliers) confirmed alignment to SCoC in comparison to audits of 1,776 vendors (223 critical suppliers) in FY 2023-24. • **Target for FY 2025-26:** 1,800 vendors

Quality Audits

Description	Reach during the year
• Our Company conducts vendor audits every three years for APIs, excipients and packaging material vendors to ensure compliance with Good Manufacturing Practices ("GMP"). • For domestic and international markets, Contract Manufacturing Organisation ("CMO") sites undergo detailed audits to meet regulatory requirements, market standards, cGMP guidelines and our internal SOPs. • InVitro Diagnostics and medical device manufacturing sites are assessed for adherence to Indian MDR 2017 and ISO 13485:2016, ensuring quality, safety and regulatory compliance across our operations.	• 39 periodic audits and 56 due diligence audits were performed for loan license and principal-to-principal CMOs. • Our Company ensured timely resolution of audit observations and closely monitored through Corrective Action Preventive Action ("CAPA") plans. A total of 1,408 observations were noted from vendor audits conducted during FY 2024-25.

ESG assessments

Description	Reach during the year
• Our Company conducts desk-based and on-site assessments through a detailed ESG questionnaire. Suppliers are assessed on key criteria, including legal and ethical standards, product quality and safety, human rights, labour practices, workplace conditions, human rights, environmental sustainability and transparency. • A CAPA plan is prepared to support and transform risks into opportunities for growth and improvement. • Non-compliance may lead to formal notices, withheld payments, or order adjustments. These measures ensure partnerships align with our commitment to responsible practices. • Our Company also recognises the globally accepted EcoVadis report as a benchmark for assessing ESG readiness.	• Audited suppliers accounted for ~36.19% of our total procurement expenditure. • Our Company completed desk-based assessments for 186 vendors and 50 on-site evaluations, surpassing our original target of 175 and 40 respectively. • Out of the vendors assessed, three were identified as high-risk and guided through well-planned CAPA plans. They will be reassessed to monitor their progress on the CAPA, with a completion timeline set between 24-36 months. • 12 critical suppliers were evaluated through their EcoVadis report, accounting for 1.3% of our total procurement expenditure. • **Target for FY 2025-26:** 175 desk-based assessments and 75 on-site evaluations.

[16] GRI 403-7, GRI 407-1, GRI 408-1, GRI 409-1, GRI 414-1, GRI 414-2, GRI 308-1& GRI 308-2, Information in line with BRSR Question no. 5 and 6 under leadership indicators of Principle 3, Information in line with BRSR Question no. 4&5 under leadership indicators of Principle 5, Information in line with BRSR Question no. 6 and 7 under leadership indicators of Principle 6. Information in line with BRSR Question no.2 (b) under essential indicators of Principle 2

Pharmaceutical Supply Chain Initiative ("PSCI")

Description	Reach during the year
• The PSCI programme enables suppliers to share audits on a web-based platform, reducing multiple audits and minimising 'audit fatigue'. Our Company is an associate member of PSCI.	• Our Company completed 43 vendor audits, covering a yearly spend of approximately ₹ 281 crores. 28 of these audits involved critical suppliers, accounting for ₹ 227 crores of the total spend.

ESG workshops[17]

Description	Reach during the year
• Our Company conducts ESG workshops for its value chain partners and internal team to build awareness, clarify ESG roles and promote sustainability initiatives. These sessions have led to improved supplier ESG maturity and strengthened internal alignment with ESG goals.Our future aspirations for supply chain sustainability are prioritising ESG practices to reduce Scope 3 emissions by segmenting suppliers based on ESG maturity, criticality and risk, enabling targeted engagement for impactful sustainability initiatives.	• 88 key suppliers, representing approximately 6.22% of the total procurement spend, participated, against a target of 60 suppliers. • Collaborated with 25 key suppliers, representing around 8.5% of the procurement spend, for raising awareness about carbon emissions. • **Target for FY 2025-26:** Reach of 100+ suppliers, including 20 critical suppliers.

De-risking of Supply Chain

Our Company focuses on de-risking procurement processes by sourcing raw materials cost-effectively and mitigating supply disruption risks. Our Alternate Vendor Development strategy fosters local manufacturing, reducing risks while maintaining cost advantages and ensuring a steady supply of raw materials. During FY 2024-25, our proactive approach resulted in de-risking revenue of ₹ 1,428 crores by successfully onboarding 18 new vendors.

Tech Integration in Supply Chain Management

Integration of advanced technology within our supply chain reflects our commitment to innovation and excellence, ensuring resilience and leadership in the dynamic pharmaceutical industry. During FY 2024–25, we accelerated technology integration across our supply chain through key initiatives such as Artificial Intelligence ("AI")-Driven Return Management, CIPBOT, AI/Machine Learning-Powered Transport Management System, the SAP Extended Warehouse Management module, and the Cipsmart chatbot powered by Robotic Process Automation. These AI and automation-led solutions have significantly optimised operations in returns, logistics, warehousing and customer engagement—resulting in reduced working capital and labour costs, fewer errors, faster turnaround times and improved overall efficiency and transparency.

Human Resource Development

To read more about our Company's workforce and human resource development initiatives, please refer Human Capital on page no. 78 of this Report.

Enriching lives of our Communities

To read more about our Company's contribution to the communities around us, please refer Social Capital on page no. 106 of this Report.

[17]Information in line with BRSR Question no. 1 under Leadership Indicators of Principle 1

Social Capital

Strategic Focus Areas:

- Health
- Environmental Sustainability
- Education
- Skilling
- Disaster Response

Our Contribution to Sustainable Development Goals (SDGs)

3 GOOD HEALTH AND WELL-BEING

8 DECENT WORK AND ECONOMIC GROWTH

17 PARTNERSHIPS FOR THE GOALS

Our Guiding Philosophy[1]

At Cipla, our steadfast commitment to 'Caring for Life' drives our social initiatives. Through the Cipla Foundation, our philanthropic arm and principal implementation agency, we invest in high-impact, outcome-driven initiatives that enhance access to healthcare and education for underserved populations.

By partnering with trusted NGOs, domain experts (as permissible by Corporate Social Responsibility Rules) and government bodies, we foster trust, inclusion and long-term social value. Our approach to social capital is strategic, measurable and aligned with our vision of an equitable world—delivering both community impact and stakeholder confidence.

We have identified the following thematic areas, as part of our CSR strategy:

- Health
- Environmental Sustainability
- Education
- Skilling
- Disaster Response

During FY 2024 -25, our social initiatives touched the lives of **3,38,000+ unique beneficiaries** through **5,57,400 + engagements** across the above-mentioned thematic areas.[2]

Governing our Social Capital

Our community initiatives are governed and implemented through a robust process and framework, with active oversight and guidance from the Board of Directors, the Corporate Social Responsibility Committee and the Cipla Foundation. We follow comprehensive due diligence, auditing processes and monitoring mechanisms across all projects and partners. This ensures transparent progress tracking, timely interventions and consistent alignment with project goals.

As a Trustee of the Cipla Foundation, Mr M K Hamied continues to offer thoughtful leadership and guidance, playing a key role in shaping the Foundation's CSR initiatives

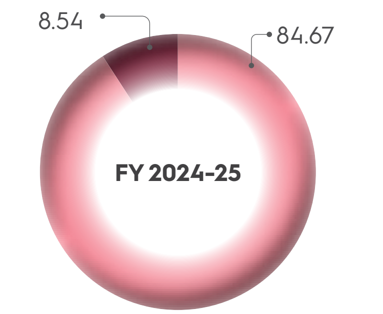
Our Governing Pillars

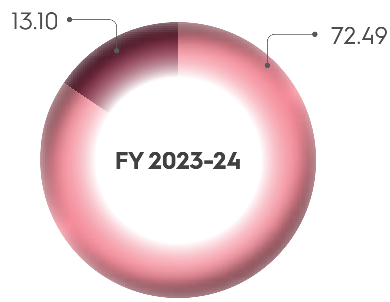
Board of Directors	CSR Committee	Cipla Foundation
Approves the CSR Policy and Annual Action Plan, monitors fund utilisation, and oversees project progress.	Recommends the CSR Policy and Annual Action Plan to the Board, reviews project implementation, and monitors progress with the Board.	Identifies, implements, and monitors CSR projects, ensuring compliance with the Board approved plan, CSR Policy, and applicable laws.

[1]GRI 3-3
[2]GRI 413-1 and information In line with BRSR question no. 6 of leadership indicator under Principle 8. Detailed information on each of our programmes has been provided subsequently.

Social Expenditure

(in ₹ crores)





- CSR spends by Cipla and its subsidiaries
- Other social spends by Cipla and its subsidiaries

Enhancing Community Health

Enhancing community health remains a top priority for us. We are committed to providing care to local communities and providing equitable access to healthcare services. Our efforts are particularly focussed on palliative care, the primary healthcare system and providing other medical support.

Our manufacturing units, depots and project sites across different regions actively contribute to these initiatives, addressing the healthcare needs of vulnerable communities nearby, with a special focus on children, women and the elderly.

Creating access to Palliative Care

We remain steadfast in our commitment to enhancing access to palliative care, a specialised form of medical care aimed at improving the quality of life for individuals facing Serious illnesses. Palliative care prioritises the alleviation of pain, management of distressing symptoms and provision of psychosocial support to both patients and their families. We recognise the profound physical, emotional, social and logistical challenges that accompany any serious illness.

In India it is estimated that only 4% of those who need palliative care have access to such care (Source: Lancet Commission Report on Palliative Care, 2017).

In response, Cipla through its partner organisation is actively working to strengthen the palliative care ecosystem across India. Our efforts are directed towards ensuring that individuals, irrespective of their socio-economic background, receive compassionate, dignified and comprehensive care throughout the course of their illness.

We strive to contribute to a healthcare landscape where palliative care is integrated, accessible and recognised as an essential component of patient-centred care. Through strategic partnerships, capacity building and community engagement, we aim to uphold the highest standards of care and reaffirm our enduring purpose 'Caring for Life'.

Cipla Palliative Care and Training Centre

Established in 1997, the Cipla Palliative Care and Training Centre ("CPC") in Pune is a pioneering institution in India, dedicated to supporting cancer patients and their families. As a first-of-its-kind facility, CPC delivers comprehensive care through holistic treatment plans, home-based services and outpatient support across multiple hospitals. Its approach addresses not only physical pain and symptoms but also the emotional and spiritual well-being of patients and caregivers, enhancing overall quality of life.

In line with our commitment to expanding access to palliative care, we partnered with CanSupport nationally and internationally recognised palliative care organisation to extend homecare services to a broader population in and around Pune. This collaboration aims to reach more patients and families in need of compassionate palliative care.

Highlights of Cipla's Palliative Care Interventions during FY 2024-25

Expanding Reach and Access

In FY 2024-25, Cipla's palliative care services supported:

896
patient admissions

2,772
outpatient consultations

14,853
home visits

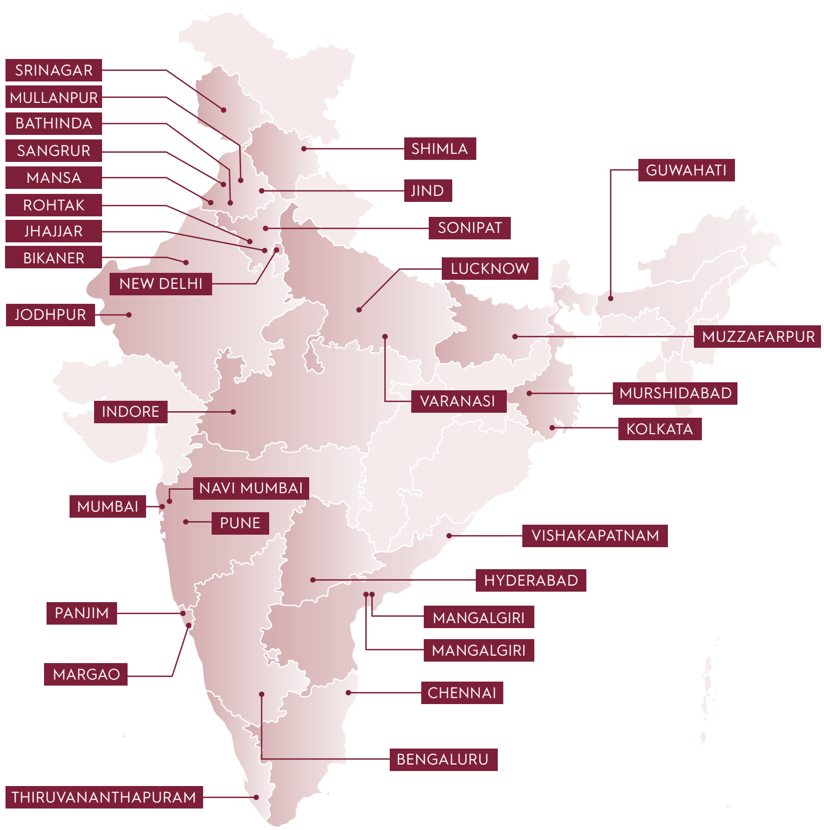
Savita's days were touched by tenderness — where medicine met music and love lit up the shadows. Her journey became one of comfort, connection and rediscovered joy.

Enabling Policy-Level Change

In February 2025, Goa became the fifth Indian state to adopt a comprehensive palliative care policy. We collaborated with the Directorate of Health Services, Government of Goa to support this milestone, contributing technical expertise and implementation insights. The policy integrates palliative care into the state's primary healthcare system, with a focus on pain management, symptom control and family support.

Strengthening the Palliative Ecosystem

To foster collaboration and knowledge exchange, we convened over **70 participants from 35 partner organisations** at the Palliative Care Partners Meet in November 2024. This platform enabled shared learning and strengthened collaboration across stakeholders, at Mumbai, reinforcing our role as a trusted enabler in the palliative care space.



Note: The map used above, serves solely as a general illustration and should not be interpreted as indicative of political boundaries and not to be used for reference purposes.

Cipla's palliative care programs are now active in:

38
Cities

20
States and Union Territories

57,000
Patients reached through partnerships

In collaboration with
36
Partners

Across
48
Projects

Integrating palliative care into Public Healthcare Systems

In our endeavour to strengthen and support Public Healthcare Systems, in FY 2024-25, we supported integration of palliative care services in the following key government hospitals through Cipla Foundation:

- **Nair Hospital, Mumbai**

  In partnership with Tata Memorial Hospital, Mumbai we supported establishment of a paediatric palliative care unit at Nair Hospital in 2022. Now in its third year, the unit has been formally adopted by the Brihanmumbai Municipal Corporation ("BMC"). During FY 2024–25, the palliative care team conducted structured training workshops for doctors and nurses, further institutionalising palliative care within the hospital's service delivery.

- **AIIMS Jodhpur, Rajasthan**

  Our continued engagement with AIIMS Jodhpur led to its designation as the Nodal Centre for palliative care in Rajasthan. In collaboration with the Indian Council of Medical Research ("ICMR"), healthcare workers across 10 districts were trained to deliver home-based and outpatient palliative care, significantly expanding access in the region.

- **South Goa District Hospital, Goa**

  In FY 2024-25, we deepened our partnership with South Goa District Hospital by extending the Compassionate Communities Programme to eight local panchayats. The initiative now reaches over **2,200 patients** annually. Encouraged by its success, the state government is exploring replication of this integrated care model in North Goa.

New Government Collaborations in FY 2024–25

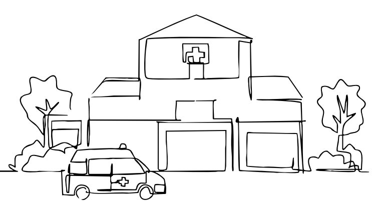
We also initiated new palliative care programmes in collaboration with key public hospitals, including:

AIIMS Bathinda

AIIMS Mangalgiri

Lokmanya Tilak Municipal General Hospital (Sion Hospital)

Tata Memorial Centre ("TMC") Mullanpur



Joseph rediscovered hope through care, encouragement and therapies that brought new perspective, comfort and the courage to dream again.

Palliative Care beyond Cancer

At Cipla, we believe that palliative care should be inclusive—accessible to individuals of all ages and applicable to a wide range of beyond cancer. These include chronic illnesses such as heart disease, Chronic Obstructive Pulmonary Disease ("COPD"), kidney disorders, Alzheimer's disease and other conditions that significantly impact quality of life. Highlights of our Palliative Care beyond Cancer are as follows:

Neuro-Palliative Care at NIMHANS, Bengaluru

We continued our support to the National Institute of Mental Health and Neurosciences ("NIMHANS") to integrate neuro-palliative care into mainstream healthcare systems. The initiative focused on knowledge dissemination and best practices among neurology stakeholders in Bengaluru. Over **1,100 patients** received care and more than 10 social workers from five projects across India were trained in neuro-palliative care management.

Sukoon Nilaya, Mumbai

Sukoon Nilaya, an in-patient facility supported by us in Mumbai, expanded its capacity from 18 to 24 beds to serve adults with serious illnesses. The team also engaged with local municipal hospitals to raise awareness and promote early access to palliative care services.

Collaboration with St. John's National Academy of Health Sciences, Bengaluru

Through this partnership, we supported holistic care interventions for individuals with serious health conditions such as neurological, cardiac and renal disorders, in addition to cancer. The programme provided pain and symptom management, psychosocial counselling and hands-on training for over eight nurses and five doctors. More than **1,700 patients** benefited from these services during the year.

Paediatric Palliative Care

Children with serious illnesses conditions and their families are often overlooked in the global palliative care landscape. We place a strong emphasis on paediatric palliative care, ensuring that both the child and caregiver remain at the centre of our holistic and compassionate approach.

FY 2024-25 highlights of our paediatric palliative care initiatives:

Bai Jerbai Wadia Hospital for Children, Mumbai ("BJ Wadia Hospital"):

At BJ Wadia Hospital, Mumbai we strengthened our home care services by adding an additional team to meet growing needs. We also focused on training healthcare professionals within the hospital to build internal capabilities for Pallative care. Our work was recognised and presented at the First National Conference at the hospital on Rare Diseases in March 2025.

Paediatric Palliative Care Leadership Programme ("PRPCS"): Hyderabad

To address the shortage of trained leaders in paediatric palliative care across we launched a structured Leadership Programme. This included two intensive in-person workshops in India and a series of 12 monthly online sessions. Through assignments, mentorship and a robust regional network, the programme enabled cross-border collaboration and knowledge exchange among emerging leaders in the field.

Saath-Saath - PAN India Palliative Care Helpline

Launched in 2021, Saath-Saath is a national toll-free helpline that connects individuals to the nearest palliative care provider. As of FY 2024-25, **30+ healthcare organisations** across **27 cities** are part of this network enhancing access to timely holistic support for patients and their families. To further strengthen this initiative, we introduced a multilingual, AI-enabled chatbot that offers personalised, round-the-clock assistance.

Saath-Saath received more than **5,000 calls** during the year and it referred callers to services across India for serious illnesses such as cancer, thalassemia and lung disorders. Over **2,000 patients/ caregivers** were supported through the helpline.

Public System Partnership

We support the Public System Partnership project led by SNEHA, which aims to foster proactive health-seeking behaviour among vulnerable populations, with a particular focus on maternal and child health. This initiative is implemented at Mumbai and Greater Mumbai in partnership with Muncipal Corporations in urban slum settlements through community engagement and collaboration with public health systems.

- **Strengthening Maternal and Child Health Programme**

  With Cipla's support, SNEHA's Maternal and Child Health Programme promotes health equity in underserved communities through a continuum-of-care approach. It provides nine essential services for women, including health monitoring, TT injections, iron-folic acid supplements, and referrals for high-risk pregnancies. The programme also strengthens community engagement via Mahila Arogya Samitis under the National Health Mission. Till date, it has reached over **1,03,000 pregnant women** across seven municipal corporations in the Mumbai Metropolitan Region.

Supporting patients with thalassemia

We are committed to supporting thalassemia patients from underserved communities by ensuring access to critical care. Through our trusted partners, we provide essential medication, regular blood transfusions and Bone Marrow Transplants ("BMTs"), helping families overcome financial barriers and receive the treatment they need.

In FY 2024-25, we supported **39 patients** with BMTs via Sankalp India Foundation and **29 patients** through Borivali BMT Centre. We also supported more than **145 thalassemia major patients** with **1,650+ NAT tested and leucodepleted blood transfusion** through the Arpan Thalassemia and Sickle Cell Society.

Born with thalassemia major, Rohan's life changed with a successful transplant. His journey is a reminder that every child deserves a chance at life

Reaching the last mile through Mobile Healthcare Units (MHUs)

An important pillar of our community doorstep health programme is to enable access to primary healthcare for communities with a focus on the elderly, women and children. Through our five Mobile Healthcare Units ("MHUs") operated by HelpAge India, we are bringing healthcare to the doorsteps of remote communities. In FY 2024-25, we provided **1.07 Lacs** consultations through **five MHUs**, across **207 locations** including villages and slum site in **four states**.

What once felt out of reach is now at Ashabai's doorstep. With the Mobile Health Unit's support, she no longer battles her asthma alone — she faces each day with strength and stability

South Africa Health Projects

In South Africa, we supported the National Department of Health's Central Chronic Medicine Dispensing and Distribution ("CCMDD") programme (Daplameds), which improves access to chronic medication for stable HIV and NCD patients while easing pressure on public health facilities. In FY 2024-25, the programme **registered 272,473 patients, delivered 447,635 medicine parcels through 43 pickup points, and created over 130 jobs**. With a 10% annual growth target, the initiative aims to expand access to essential medicines across the region.

Our 'Miles for Smiles' initiative, with Operation Smile, **funded 63+ cleft** and corrective lip surgeries, bringing renewed hope to families across the African continent. Through our Volunteering initiative, staff attended these life changing surgery missions in South Africa, Kenya, Ghana and Marocco.

Our Ajuga – early childhood development initiative in South Africa, has **nine fully registered schools** with the National Department of Basic Education. By focusing on the first 2,000 days of a child's life, these facilities provide quality education and nutrition to **878 learners**.

Global Response

We donated critical medicines for HIV/AIDS, cancer, respiratory illnesses and more, worth ₹ 14.94 lacs, to humanitarian organisations supporting distressed and vulnerable communities globally.

Environmental Sustainability

To address the pressing issues of water scarcity and declining groundwater levels, we collaborated with BAIF and MYRADA on multiple water-related initiatives across the states of Maharashtra, Karnataka, Tamil Nadu and Madhya Pradesh. These include renovating defunct water harvesting structures, creating new water structures, strengthening embankments, desilting water bodies, farm ponds and installing rain water harvesting systems.

For project implementation, we selected water-scarce villages through stakeholder consultations and local panchayat involvement. Water User Groups were formed to ensure the upkeep and sustainability of project activities.

Against the target of 20 lacs cubic meters of water, the project successfully created **24 lacs cubic meters** of water by March 2025. Through this initiative, we supported over **4,000+ families across 27 villages**.

Sustainable farming and clean energy

Our deep interest and involvement in water harvesting goes a step further with our support to villages in promoting weather-resilient, indigenous cash crops, new seed varieties etc to increase its yield. The initiative includes training on improved agriculture practices and renewable energy components.

In Satara and Nashik, Maharashtra, the BAIF trained farmers on sowing local crop varieties and setting up solar plants and biogas units to reduce fossil fuel dependency and enhance green energy use. The project also deployed solar insect traps to control pests, reducing the use of pesticide use and aiding organic farming.

We extended additional support in the form of solar streetlights, home lights and pump units.

Education

Through our Education focused initiatives, we are contributing to the creation of a conducive and enhanced learning environment in schools, making education inclusive and equitable for children.

Igniting curiosity in children through the 'Mobile Science Lab'

We support Agastya International Foundation's Mobile Science Lab ("MSL") project, which provides hands-on science education. MSL vans, equipped with lab gear and instructors, engage with government school students near Cipla units, fostering curiosity through practical methods. This project has benefitted over **15,480 students** across Maharashtra, Madhya Pradesh Sikkim, Himachal Pradesh, Karnataka and Goa.

In March 2025, we launched the AI on Wheels project in Sikkim, designed to help with foundational knowledge of Artificial Intelligence, enabling exposure to emerging technologies for students of Grades eight and nine to learn AI basics.

Bhaibo's spark for science was lit by the Mobile Science Lab – and now, there's no stopping him. From making low-cost models to thinking critically, he's turning curiosity into confidence

Ensuring learning never stops with scholarship programmes

In partnership with Pratham Mumbai Education Initiative, we awarded scholarships to over **320** children who lost their parents during the COVID-19 pandemic, enabling them to continue their education despite emotional and financial hardships. Additionally, **290+** students are enrolled in Pratham's Multi Activity Centres across cities, receiving targeted academic support.

To support visually impaired students, we funded teacher and caretaker salaries at Victoria Memorial School for the Blind in Mumbai. Students received holistic care, including nutritious meals, accommodation, education, sports, skill training and career guidance. In FY 2024-25, a batch of visually impaired students—supported by us since Grade three—successfully cleared their tenth board exams.

To address the gap of girl child education, we partnered with Educate Girls in Madhya Pradesh to improve access to education. In FY 2024-25, **3,974 girls** were identified and integrated into government schools with the active participation and support of volunteers known as 'Team Balika'.

We provided financial support to **650+ academic achievers** through our 'Merit Awards' programme during FY 2024-25.

Mr M K Hamied interacting with school children during their visit to Cipla as part of an exposure programme.

Digital Learning

Our digital literacy initiative in Maharashtra, Himachal Pradesh, Madhya Pradesh, Karnataka, Sikkim and Goa has fostered inclusive learning by distributing tablets loaded with regional language content, aligned with the state board curriculum, to students in Grades nine and ten from government-aided schools near Cipla units. In FY 2024-25, we focused on monitoring device usage and repairing devices to ensure continued access. The initiative reached **31 schools**, benefiting over **4,000 students**.

Skilling

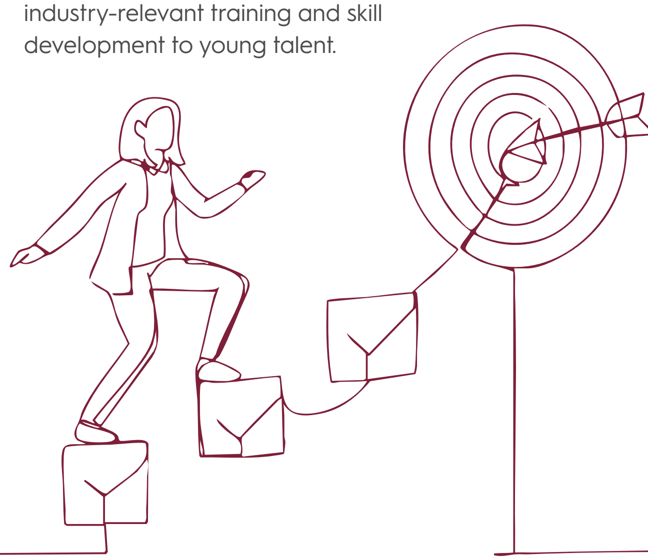
By collaborating with partners, we empowered over **600+ individuals** from low-income communities. These initiatives are designed to help them acquire relevant skills for livelihood. Apart from creating opportunities for the potential workforce, such efforts also contribute to the National Skill India Mission.

In FY 2024-25, Cipla and other Member Companies of the Indian Pharmaceutical Alliance ("IPA") collaborated to establish a skilling institute for the purpose of developing talent for pharmaceutical industry through Foundation for Pharmaceutical Academy for Global Excellence ("PAGE"), a not-for-profit company set up by IPA member companies, at a total estimated cost of approximately ₹ 200 crores. The participating members including Cipla will contribute the cost of the project in equal ratio. PAGE has already acquired land in Hyderabad and is in the process of acquiring land in Gujarat.

The Government of India has launched the PM Internship Scheme to provide internship opportunities to one crore youth across 500 leading companies, based on CSR expenditure. As one of the selected companies under this initiative, Cipla is actively participating in the programme to impart industry-relevant training and skill development to young talent.

Disaster Response

In FY 2024-25, we extended flood relief efforts in Bihar and Tamil Nadu. In collaboration with HelpAge India and local administrations, we distributed hygiene kits, dry rations, and other essential relief materials to **1,939 families** affected by the floods.



Natural Capital

Strategic Focus Areas:

- Robust Governance
- Emission Reduction
- Renewable Energy
- Water Stewardship
- Waste Management

Our Contribution to Sustainable Development Goals (SDGs)

6 CLEAN WATER AND SANITATION
7 AFFORDABLE AND CLEAN ENERGY
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION
15 LIFE ON LAND
17 PARTNERSHIPS FOR THE GOALS

Our Guiding Philosophy [1]

Cipla is committed to environmental sustainability, to ensure a better future for both, our people and the planet. Driven by our core purpose of, 'Caring for Life,' we focus on accessible healthcare, innovation and sustainable practices across operations and business.

ESG Ratings and Score

S&P Global Corporate Sustainability Assessment ('DJSI')

- Featured in the prestigious **DJSI World Index** and the **DJSI Emerging Markets Index.**
- Ranked third globally with an **ESG score of 79** within the drug and pharmaceutical sector.

CDP Score

Climate Change	B
Water	B

Highlights (India Manufacturing Operations)

100%
Zero Waste to Landfill Certified sites

1.75
times water positive

64%
Renewable electricity

41%
Scope 1 ('energy based') and Scope 2 reduction from FY 2024-25

100%
Equivalent pre and post consumer plastic waste collected and sent for recycling

67%
Zero Liquid Discharge ("ZLD") sites

As a global healthcare leader, we understand the importance of managing and conserving the natural resources that underpin both our operations and the well-being of the people we serve. Our approach to environmental stewardship is grounded in our ESG framework, **CARE** ("Championing Climate Positivity, Accelerating Community Well-being, Raising the Bar on Governance and Enhancing Access and Affordability"). Through this framework, we aim to contribute to the achievement of key United Nations Sustainable Development Goals ("UNSDGs").

Our sustainability strategy is shaped by ongoing efforts to expand renewable energy usage, improve energy efficiency and minimise environmental impact across operations. We are committed to reducing our carbon footprint through cleaner energy solutions and actively monitoring and addressing climate-related risks. Our biodiversity initiatives focus on afforestation, reforestation and habitat restoration, driven by a comprehensive biodiversity risk assessment. Water conservation remains a key priority, with efforts directed at reducing freshwater usage, enhancing rainwater harvesting and recycling wastewater through in-house treatment systems. In addition, our focus on circularity is reflected in responsible waste management practices, including segregation, recycling and sustainable disposal.

As we build on our current achievements, we are actively working to scale and deepen our environmental commitments in alignment with our future sustainability goals. We aim to scale these initiatives by increasing the share of renewable electricity, lowering emissions from operations and products and enhancing biodiversity efforts through both internal and external projects. We are committed to maintaining Water Neutrality and Zero Waste to Landfill in India Manufacturing Operations, while exploring the opportunities to extend these milestones globally through additional site certifications and international water stewardship standards. These goals reflect our vision for a resilient and sustainable future.

[1] GRI 3-3

Environment, Health & Safety ("EHS") Governance

As outlined in our Environment, Health and Safety (EHS) Policy, minimising our environmental footprint and preventing adverse impacts are key priorities in our operations. This policy serves as the cornerstone of our environmental stewardship, defining our priorities and guiding our actions. To enhance governance and ensure efficient operations, 83% of our global manufacturing units are certified under ISO 14001:2015 and ISO 45001:2018.

Roles and Responsibilities

EHS and Sustainability are the core components of our organisational strategy, receiving direct oversight from the Managing Director and Global Chief Executive Officer and the Board. Quarterly board-level reviews conducted through the Investment and Risk Management Committee ("IRMC"), to ensure alignment with ISO standards and clearly define responsibilities for overseeing EHS and ESG performance.

The Central EHS Team, oversees key areas including API, Formulation, Occupational Health and Hygiene ("OHH") and Sustainability and are reporting to the Vice President of EHS & ESG under the Global Chief Manufacturing Officer ("GCMO"). This team is responsible for setting strategic direction and organisation-wide EHS policies.

At the manufacturing sites, EHS performance is managed by the Site Head and Site EHS Managers, who ensure effective implementation of systems, policies and programs. Site-level EHS governance is led by the Site Head, who is accountable for compliance with our EHS policy and procedures.

We have not been imposed any penalty by regulatory agencies for safety and environmental violations.[2]

Demonstrating our unwavering commitment to environmental stewardship and transparent governance, we actively monitor our operations to ensure compliance with environmental regulations. In line with this approach, we submit half yearly compliance reports to the Ministry of Environment, Forest and Climate Change ("MoEFCC") and make these reports publicly available on the Cipla website, covering all applicable sites.

Environmental Performance Reporting

We monitor, report and represent environmental performance data segregated along the lines of:

India Manufacturing Operations[3]

Global Operations

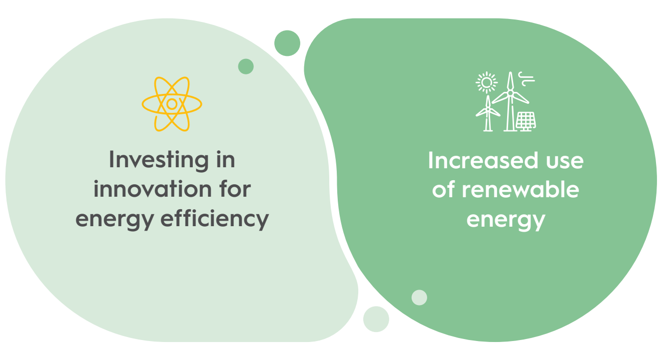
This segregation ensures precise evaluation and management of our localised environmental impact. Simultaneously, it strengthens internal accountability, supports benchmarking and enhances the optimisation of sustainability initiatives across the organisation.

Our Decarbonisation Journey

Cipla is on an ambitious decarbonisation journey, striving to minimise environmental footprint through sustainable practices and innovative solutions to enhance energy efficiency, increase the use of renewable energy and implement innovative technologies. The journey aims to achieve 80% reduction in Scope 1 (energy based) and Scope 2 emissions by December 2025 from baseline year of FY 2019-20 for India manufacturing operations.

At Cipla, we implement our decarbonisation efforts through a two-pronged approach:

Decarbonisation Approach



[2] GRI 2-27

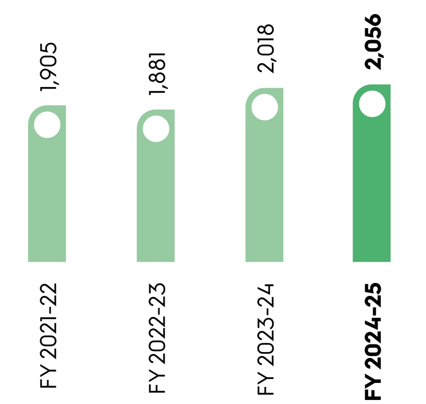
[3] For the purpose of Natural Capital, India Manufacturing Operations includes manufacturing units of Cipla Limited and our subsidiaries in India (Goldencross Pharma Limited, Medispray Laboratories Private Limited and Meditab Specialities Limited)

Energy Management[4]

In FY 2024-25, our global energy consumption was 20,55,520 GJ and our global energy intensity for the reporting year stood at 0.75 GJ/ ₹ lac of revenue[5] compared to 0.78 GJ/ ₹lac of revenue for FY 2023-24.

At present, 57% of our manufacturing units are ISO 50001:2018 certified on energy management systems.

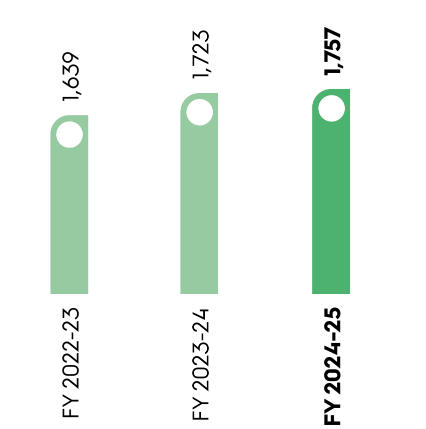
Global energy consumption (in TJ)



India Manufacturing Operations

India manufacturing operations accounted for 85% of our total global energy consumption. Energy consumption for India manufacturing operations for three years is represented below

Energy consumption (in TJ)



Energy consumption by source[6]

Sources	Global Operations (GJ)	India Manufacturing Operations (GJ)
Total grid electricity	6,15,882	3,81,361
Solar Energy	3,05,267	3,01,497
Solar Energy (IRECs)	3,42,018	3,42,018
PNG	2,02,247	2,02,247
Briquette	1,63,158	1,63,158
Diesel	1,50,668	1,35,158
Natural Gas	99,647	72,571
LSHS	63,585	63,585
Liquefied Petroleum Gas (LPG)	49,830	49,830
Wind Energy	39,755	39,755
Petrol	16,166	265
Furnace Oil	5,422	5,422
Kerosene	1,877	0
Total Energy	**20,55,522**	**17,56,867**
% Renewable Electricity	**52.7**	**64.2**
% Renewable Energy	**41.36**	**48.18**

Promoting Energy Conservation[7]

As we strive to minimise our environmental impact, we continuously explore and implement strategies that enhance energy conservation across our manufacturing operations. During the reporting year, we made a dedicated investment of ₹3.11 crores towards various energy conservation initiatives aimed at enhancing operational efficiency, reducing carbon footprint and promoting sustainable practices across our facilities. A comprehensive overview of these initiatives, including objectives, implementation strategies and anticipated outcomes, which resulted into energy conservation of approximately. 3,724 MWh across our Indian manufacturing locations in FY 2024-25 and comprehensive details is provided in Annexure III of Board's Report on page no. 160 of this report.

Energy Efficient Chilling Equipment

In 2022, we had implemented an initiative to increase the energy efficiency in our chilling process. Under this initiative, we upgraded our conventional centrifugal chillers to energy-efficient magnetic bearing chillers at various manufacturing operations at Goa-I, Indore and Goa-II resulted in cumulative energy savings of approximately 1,036 MWh in FY 2024-25.

E-Mobility for a Low-Carbon Future

In our unwavering commitment to combat climate change, Cipla is leading the way by transitioning to electric vehicles ("EVs") across our operations. In the reporting year alone, our EV fleet has covered 1,71,511 kilometres in FY 2024-25. By embracing electric mobility, we are not only lowering our carbon footprint but also setting a powerful example of sustainable innovation in action. Our shift to EVs is a key step in our journey toward a low-carbon future, helping to reduce dependence on fossil fuels, improve air quality and enhance the well-being of communities.

[4] GRI 302-1 and information in line with BRSR Question no. 1 under essential indicators of Principle 6

[5] GRI 302-3

[6] Reference for fuel conversion values: 2006 IPCC Guidelines for National Greenhouse Gas Inventories - Volume 2 (Energy)

[7] GRI 302-4, GRI 305-5 and information In line with BRSR Question no. 8 under essential indicators of Principle 6

Other Energy Enhancement Initiatives

Cipla is committed to continually improve energy conservation across operations. Below are some of the key initiatives undertaken in various facilities, which have collectively contributed to significant energy savings:

Compressor Operation Optimisation

Optimised utilisation and operation of compressor Kurkumbh resulted in savings approximately 397 MWh.

Installation of High-Energy Efficient Pumps/Motors (IE5)

Installation of high energy efficient pumps/motors (IE5) at Kurkumbh & Sikkim. This resulted in savings approximately 523 MWh.

We are also prioritising sustainability in our new facilities by integrating green building initiatives to ensure environmentally friendly and energy-efficient operations. These efforts not only minimise our ecological footprint but also improve the well-being and productivity of occupants.

Strengthening Energy Efficiency Through Audits and Training

As part of our commitment to sustainable operations, we continuously strive to enhance energy efficiency across our manufacturing facilities. We conduct energy audits across our Indian manufacturing operations to evaluate energy consumption and identify opportunities for efficiency improvements. As of 31st March, 2025, with 57% of our global units certified under ISO 50001:2018 for energy management systems. In alignment with these standards, we actively train our workforce on energy efficiency and management, fostering a culture of energy conservation across the organisation.

Use of Renewable Energy

Goal

50% renewable electricity by December 2025

Progress

Surpassed the goal by achieving **64% renewable electricity** usage across our India manufacturing operations in FY 2024-25

At Cipla, we are committed to increasing our use of renewable energy and leveraging alternative sources of fuel to reduce our carbon footprint. As part of our Green Energy Initiative, we have significantly increased our reliance on clean energy sources by installing rooftop solar panels, utilising open access solar and wind energy and securing long-term renewable energy certificate purchase contracts to drive sustainable growth. We have also incorporated alternative energy sources like briquette to reduce reliance on fossil fuels. In FY 2024-25, our global renewable energy consumption (8,50,197 GJ) accounted for 41% of our total energy consumption, an increase from 29% in FY 2023-24. For our India manufacturing operations, renewable energy stood at 48% (8,46,427 GJ) as compared to 33.6% in FY 2023-24.

Initiatives to Enhance Share of Renewable Energy

As of 31st March 2025, our total operational capacity was

1. **55 MWp** of captive solar power open access
2. **2.7 MVA** of captive wind power open access
3. **10.4 MWp** of solar rooftop installations across various units in India

Contribution of Captive Solar Plant in Maharashtra

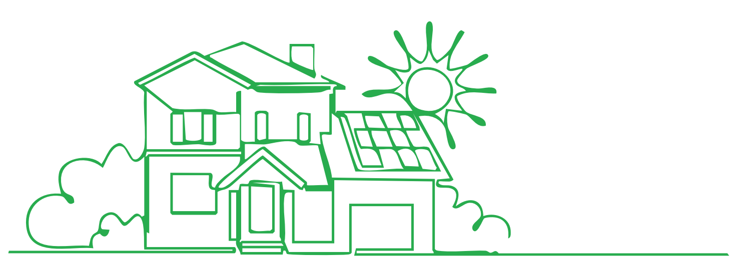
Our captive solar plant (46 MWp) in Tuljapur helped meet 61% of the electricity requirements of our manufacturing units at Kurkumbh and Patalganga and our R&D centre at Vikhroli, Mumbai.

Contribution of Captive and Third-Party Renewable Energy Sourcing in Karnataka

Our captive nine MWp solar and 2.7 MVA wind project along with the third party solar and wind power sourcing helped us to meet 96% of the electricity requirements of our manufacturing units at Virgonagar and Bommsandra.

Rooftop Solar Installation

During the reporting year, we have commissioned a 550 KWp rooftop solar plant at our Medispray Satara Unit in April 2024 and 1,209 KWp rooftop solar plant at our Sikkim II unit in January 2025.



Alliance for a Renewable Future

As part of our green energy commitment, we have taken a significant step forward by entering into a long-term agreement to source International Renewable Energy Certificates ("I-RECs").

In a strategic alliance with Juniper Green Cosmic Private Limited, we have secured access to **100 MWp** of solar capacity in Bikaner, Rajasthan. This agreement enables us to receive **185,000 I-RECs** annually, which translates to an estimated reduction of **1,34,495 tCO2e** emissions per year. Commissioned in September 2024, this project plays a pivotal role in our decarbonisation roadmap. In FY 2024-25 this helped us to procure **95,005 MWh** of renewable power for India manufacturing operations resulted in reduction of 69,068 tCO_2e Scope 2 emissions.

Our solar project, which spans 430 acres and features the installation of approximately 260,000 solar panels, is connected to India's Central Grid, allowing for seamless integration into our broader energy infrastructure. It represents one of our most substantial green energy initiatives to date.

Through these efforts, we secured a total of **1,89,797 MWh** of renewable electricity during FY 2024-25, which helped us to meet 64% renewable electricity for India manufacturing operations.

Greenhouse Gas Emissions[8,9]

Cipla is committed to minimise greenhouse gas ("GHG") emissions as part of our decarbonisation strategy. We continuously work towards reducing our carbon footprint by enhancing energy efficiency, increasing the use of renewable energy and optimising operational processes. Through proactive measures such as implementing energy-efficient technologies and transitioning to clean energy and alternate fuels, we aim to lower our Scope 1 and Scope 2 emissions.

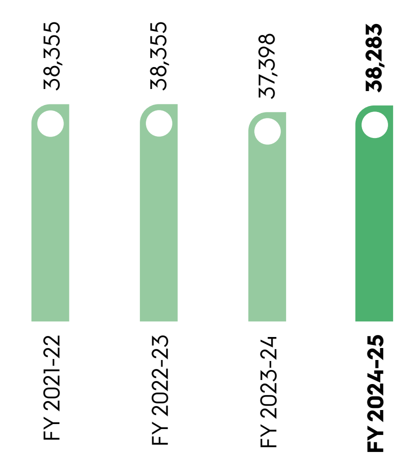
Goal

By December 2025, 80% reduction in absolute Scope 1 (energy based) and Scope 2 emissions from baseline year FY 2019-20

Progress

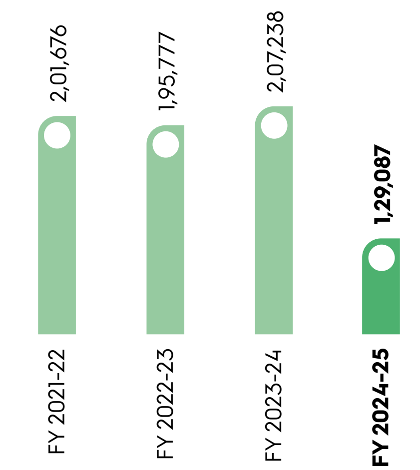
Achieved 58% reduction in FY 2024-25 for India manufacturing operations from the baseline year FY 2019-20

Global scope 1 (energy based) emissions (in tCO_2e)



In FY 2024-25, our global Scope 1 (energy based) emissions stood at 38,283 tCO_2e and global refrigerant emissions was 7,39,935 tCO_2e. Additionally, the biogenic emissions from our operations for the reporting period were 16,316 tCO_2e.

Global scope 2 emissions (in tCO_2e)

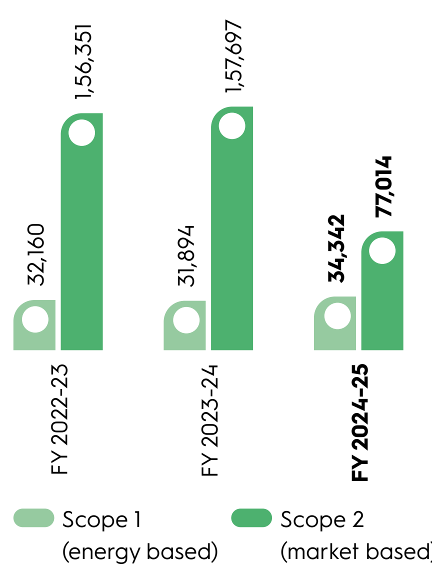


In FY 2024-25, our market-based Scope 2 emissions were 1,29,087 tCO_2e. We have decreased our scope 2 emissions by 38% from FY 2023-24. Our increased usage of renewable power enabled us to avoid 1,38,925 tCO_2e, a 71% increase from 81,054 tCO_2e in FY 2023-24.

Our Scope 1 and Scope 2 emissions intensity[10] for the reporting year was 0.329 tO_2e/ ₹ lac of Revenue, as compared to 0.365 tCO_2e/ ₹ lac of Revenue in FY 2023-24.

India Manufacturing Operations

Scope 1 (energy based) and scope 2 emissions (in tCO_2e)



[8]GRI 305-1, 305-2 and information in line with BRSR Question no. 7 under essential indicators of Principle 6

[9]References for emissions factors: The Intergovernmental Panel on Climate Change Assessment Report 6, India Central Electricity Authority 2024 report, Harmonised IFI Default Grid Factors 2021, V3.2, United States EPA eGrid Database

[10]GRI 305-4 and information in line with BRSR Question no. 7 under essential indicators of Principle 6

Emission by source

Sources	(in tCO_2e)
Electricity	1,29,087
Diesel	11,204
Petrol	1,150
PNG	11,382
LPG	3,147
Natural Gas	5,596
Furnace Oil	421
LSHS	4,938
Kerosene	135
Briquette	310
Refrigerant	7,39,935
Total	**9,07,305**

Scope 3 Emissions[11,12]

We recognise the importance of measuring and managing Scope 3 emissions to drive meaningful climate action across our value chain. In line with the GHG Protocol, we have undertaken a comprehensive assessment of all 15 categories of Scope 3 emissions to determine their relevance to our business. Based on this evaluation,

- Category 14 (Franchises) has been deemed inapplicable, as Cipla does not operate on a franchise model.
- Category 9 (Downstream Transportation and Distribution) has been merged with Category 4 (Upstream Transportation and Distribution) since we bear financial responsibility for downstream transportation.

However, emissions associated with product distribution from distributors to end consumers have been excluded due to data limitations at that level of granularity. As a result, we have inventoried Scope 3 emissions for 13 relevant categories. Among the 13 categories for which we calculate GHG emissions, Category 1 (Purchase of Goods and Services) and Category 11 (Use of Sold Products) together represent over 94% of total scope-3 emissions. In the reporting year, we have referred to hybrid approach based on activity and spend method to calculate emissions from our Purchased Goods and Services in Category 1. Additionally, the direct use-phase emissions associated with the use of sold inhalation devices containing the greenhouse gas propellant (HFA) have been quantified in Category 11

Our Scope 3 emissions intensity[13] for FY 2024-25 stood at 1.83 tCO_2e/ ₹ lacs of revenue, reflecting a slight reduction from 1.77 tCO_2e / ₹ lacs of revenue in FY 2023-24.

Emissions Category	FY 2023-24 Emissions (tCO_2e)	FY 2023-24 Emissions %	FY 2024-25 Emissions (tCO_2e)	FY 2024-25 Emissions %
Purchased Goods and Services	17,95,722	39.24	20,90,873	41.58
Capital Goods	34,426	0.75	30,687	0.61
Fuel and Energy Related Activities	70,624	1.54	51,336	1.02
Upstream Transportation and Distribution	1,10,882	2.42	1,23,790	2.46
Waste Generated in Operations	20,733	0.45	19,598	0.39
Business Travel	20,963	0.46	16,260	0.32
Employee Commute	20,025	0.44	22,250	0.44
Upstream Leased Assets	1,477	0.03	7,453	0.15
Processing Sold Products	5,098	0.11	3,355	0.07
Use of Sold Products	24,82,803	54.25	26,60,995	52.92
End of Life Treatment of Sold Products	209	0.00	64	0.00
Downstream Leased Assets	4,743	0.10	1,396	0.03
Investments	9,068	0.20	259	0.01
Total	**45,76,773**	**100**	**50,28,316**	**100**

Ozone Depleting Emissions ("ODS")[14]

The Montreal Protocol mandates the phased elimination of ODS in accordance with the approved schedules for developing countries. We actively monitor the consumption of HCFCs and HFCs across our sites and will implement their phase-out in compliance with the stipulated timelines. ODS emissions from our manufacturing operations in FY 2024-25 amounted to 0.109 CFC-11 equivalent as compared to 0.15 CFC-11 equivalent in FY 2023-24.

Climate Risk Management[15]

In FY 2022-23, Cipla adopted the Task Force on Climate Related Financial Disclosures ("TCFD") framework to identify and assess the potential risks linked to climate on the business operations.

Through this assessment, all major Cipla sites, offices and depots were assessed for potential physical and transition climate related risks. The physical risk assessment was undertaken using three RCP (Representative Concentration Pathways) Scenarios: RCP 4.5, RCP 6.0 and RCP 8.5. With respect to

[11]GRI 305-3 and Information in line with BRSR Question no. 2 under leadership indicators of Principle 6
[12]References for emissions factors: Region specific IEA, IPCC AR6, India GHG Program, Defra, USEEIO and GaBi specific emission factors. Emission factors for APIs were derived from the molar mass and number synthesis steps required for the respective API as mentioned from the methodology provided in the research paper.
[13]GRI 305-4 and Information in line with BRSR Question no. 2 under leadership indicators of Principle 6
[14]GRI 305-6
[15]GRI 201-2

transition risks, scenario analyses were performed considering the scenarios of International Energy Agency ("IEA") and Network for Greening the Financial System ("NGFS").

Findings from the TCFD Risk Assessment demonstrate that Cipla is not exposed to high or medium (physical and transition) risks in the immediate future. In the ever-changing climate scenario, we will continue to review these assessments and develop a plan of action for any emerging risks.

Detailed information on our TCFD assessment can be accessed at: https://www.cipla.com/sites/default/files/Cipla-Task-Force-on-Climate-Related-Financial-Disclosures-Report.pdf

Water Stewardship[16]

At Cipla, sustainable water management is a key pillar of our environmental responsibility agenda. We recognise the importance of conserving water resources and are committed to implementing innovative solutions that enhance efficiency and reduce our ecological footprint.

Goal

Water neutrality

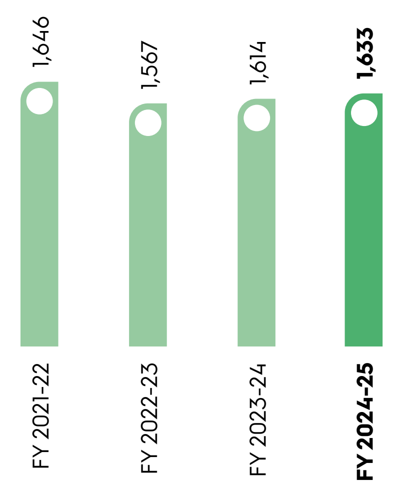
Progress

Became **1.75 times water positive** for India manufacturing operations in March 2025 against target of Water Neutrality by December 2025

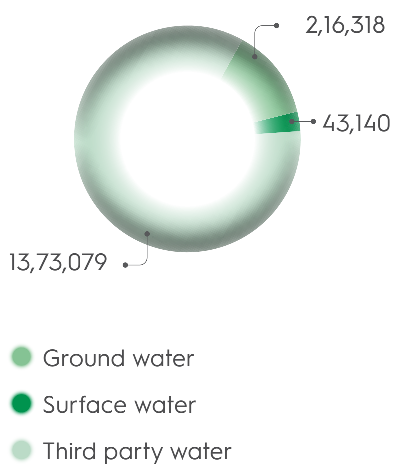
In FY 2024-25, our global water withdrawal was 16,32,537 KL and water consumption was 14,93,995 KL.[17] Our global water discharge for the reporting year stood at 1,38,541 KL.[18] Our water intensity for the year was 0.54 KL/ ₹ lac of Revenue, as compared to 0.58 for FY 2023-24.

We recycled 7,44,238 KL of water for the reporting year, standing at 45.6% as percentage of our global water withdrawn, increasing from 43% in FY 2023-24.

Global water withdrawal (in '000KL)



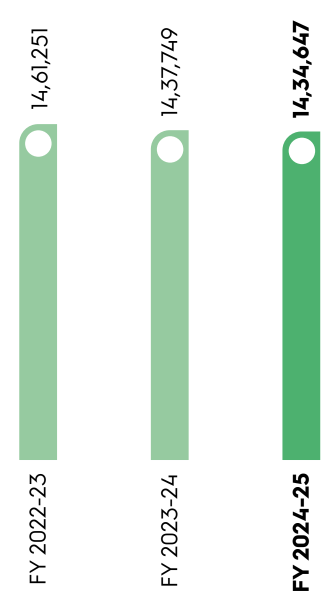
Global water withdrawal by source[19] (in KL)



India Manufacturing Operations

With respect to our Indian manufacturing locations, we have reduced our water withdrawal by 0.22% as compared to FY 2023-24.

Water withdrawal (in KL)



Towards Water Neutrality

Water conservation is a key pillar of Cipla's sustainability strategy. We focus on improving water efficiency across operations and supporting local communities in restoring natural water systems. Our goal is to reduce our water footprint and leave a positive legacy of water stewardship.

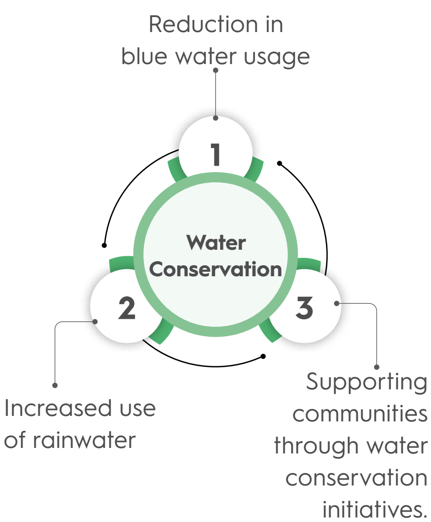
We have already achieved our Water Neutrality goal for India manufacturing operations in FY 2024-25, by achieving 1.75 times the water collected in watershed projects compared to freshwater withdrawal. This achievement has been certified by an independent external agency, validating our efforts and impact. Through our CSR efforts, we have

[16]GRI 303-1
[17]GRI 303-5 and Information in line with BRSR Question no. 3 under essential indicators and Question no. 1 under leadership indicators of Principle 6
[18]GRI 303-4 and Information in line with BRSR Question no. 4 under essential indicators and Question no. 1 under leadership indicators of Principle 6
[19]GRI 303-3 and Information in line with BRSR Question no. 3 under essential indicators and Question no. 1 under leadership indicators of Principle 6

implemented water conservation projects in partnership with NGOs like BAIF and MYRADA across multiple regions, including Igatpuri, Satara, Dhar, Bengaluru and Krishnagiri, using integrated conservation methods to alleviate water stress and create sustainable water harvesting assets.

Our Approach to Water Conservation

Our approach to water conservation and efficient usage is based on three critical aspects



Reduction in Blue Water Usage[20]

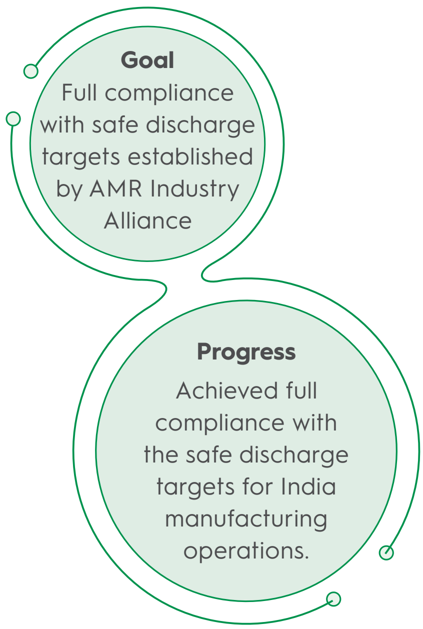
Wastewater Management

We actively strive to enhance the utilisation of treated water from our Effluent and Sewage Treatment Plants. These plants ensure that the treated water complies with all prescribed quality standards for the bulk drugs and pharmaceutical industry. We also incorporate Reverse Osmosis ("RO") reject water from raw water treatment plants into our operations. These efforts significantly reduce our dependence on freshwater.

Zero Liquid Discharge

Prioritising wastewater management, we have implemented Zero Liquid Discharge ("ZLD") mechanisms at most of our Manufacturing locations. As of 31st March 2025, 54% of our global manufacturing units have implemented Zero Liquid Discharge mechanism. By doing this, we are able to minimise liquid discharge and further enhance our commitment to water stewardship.

Managing antimicrobial resistance ("AMR") Responsibly



As part of our commitment to environmental sustainability and antimicrobial resistance ("AMR") stewardship, we have implemented several proactive measures across our manufacturing operations. We monitor antibiotics products at all sites following AMRIA/WHO guidelines, using mass balance and analytical testing. Most sites have ZLD systems to eliminate the risk of environmental pollution arising out from discharge of treated effluent, while others maintain safe Predicted Environmental Concentration ("PEC") levels through AMRIA-recommended controls. Our dedication to responsible manufacturing is demonstrated by receiving the BSI AMR certification for Ciprofloxacin at our Indore facility and we encourage these high standards across our entire supply chain. AMR champions at each site receive regular training to stay updated. Cipla also held two workshops for antibiotic suppliers to promote awareness on API emissions, AMRIA's 2022 manufacturing standard and the AMR certification programme.

Increased Use of Rainwater

Rainwater Harvesting

Rainwater harvesting systems have been installed in our manufacturing units at Kurkumbh, Indore, Baddi, Bommasandra, Sikkim, Goa, Patalganga and Kundaim in the form of underground tank, recharge pits and shafts. In FY 2024-25, a total of 4,705 KL rainwater was harvested and used and 18,907 KL rainwater recharged through borewell, where it is permitted.

Community Initiatives

Community-based Water Conservation Projects

Through the adoption of a "ridge to valley" method, we make focused efforts to prioritise and support holistic water resource management. Acknowledging the interconnection within watersheds, our initiatives cater to high and low points for comprehensive conservation.

Our pursuit of water neutrality is a testament to our commitment to sustainable water management and community empowerment. The strategic interventions, conducted in partnership with MYRADA and BAIF, focus on building resilient ecosystems in regions like Karnataka, Tamil Nadu and Maharashtra. By implementing watershed development, such as farm bunds and check dams, we enhance water retention and agricultural productivity, even in challenging climates. These efforts are supported by community engagement, where

[20]GRI 303-2 and 303-4

local farmers form Water User Groups ("WUGs") to manage and maintain water structures, ensuring long-term sustainability.

Through initiatives like rooftop rainwater harvesting in schools, we ensure reliable water sources and educate the younger generation on sustainable practices. By placing a strong emphasis on collective governance and stakeholder participation we collaborate with NGOs and local authorities to integrate water stewardship into community norms. Investments in technical expertise and capacity building empower communities to diversify crops and embrace climate-resilient agriculture, reducing dependencies on groundwater.

Impact and Outcomes:

The initiatives lead to substantial socio-economic benefits, including increased employment opportunities and enhanced agricultural productivity. These efforts have enabled communities to diversify crops, reduce migration due to water scarcity and improve livelihoods. Testimonials from local leaders and farmers reveal positive changes in water retention and crop management strategies.

We plan to scale these initiatives, extend the impact across new regions and ensure water neutrality. Our effort fortifies stakeholder partnerships and emphasises community participation to maintain momentum and sustainability.

Data Highlights

Water Harvested
2,473,820 KL in FY 2024-25

Direct Person Days Generated
1,15,685 days

Increase in Yield
313.17 quintal

Income Increase
₹ 7,25,000

Women Empowerment
371 women engaged

Education and Capacity Building
3,062 beneficiaries

Number of Cattle Watering
2,177 cattle

Number of Fish Farming Units
2 families

Responsible Waste Management[21]

Our commitment to responsible waste management is deeply embedded in our operations, ensuring minimal environmental impact. We systematically track and record all waste generated, ensuring the disposal or recycling through third-party agencies in strict compliance with relevant government regulations. In FY 2024-25, we have undertaken an internal audit of our manufacturing locations for accurate classification of waste categories and identified opportunities to reduce waste generation.

Waste generated at our locations is managed through authorised recyclers, Treatment, Storage and Disposal Facilities ('TSDF') and co-processing facilities. Thermal destruction methods are employed at TSDF and co-processing facilities to ensure the safe disposal of waste. Additionally, co-processed waste from our operations is utilised to produce Alternative Fuels and Raw Materials ("AFR") for the cement industry.

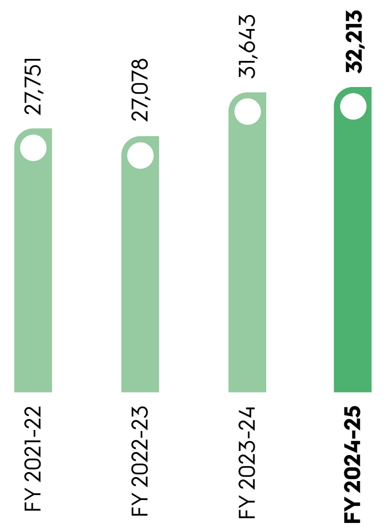
Approximately 90% of the waste from our global operations has been sent for recycling or reuse. To further reduce waste generation, we have invested in the installation of volute presses and Effluent Treatment Plant ("ETP") sludge dryers. Additionally, our workforce receives specialised training on waste reduction to enhance sustainable practices across our operations. In FY 2024-25, a total of 32,213 MT waste was generated from our global operations.[22] During FY 2024-25, we recorded a global waste intensity of 0.012 metric tons for every ₹ 1 lacs of revenue.

Goal
Zero Waste to landfill ("ZWTL")

Progress
All India manufacturing operations are ZWTL certified as on March 2025

[21] GRI 306-1, 306-2 and Information in line with BRSR Question no. 9 and 10 under essential indicators of Principle 6
[22] GRI 306-3 and Information in line with BRSR Question no. 9 under essential indicators of Principle 6

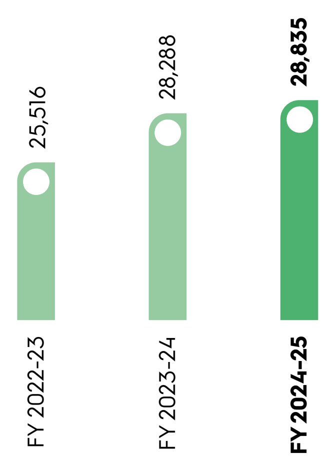
Global waste generated (in MT)



India Manufacturing Operations

With respect to our Indian manufacturing locations, the table below provides the details on our trend of waste generation for previous three years

Waste generated (in MT)

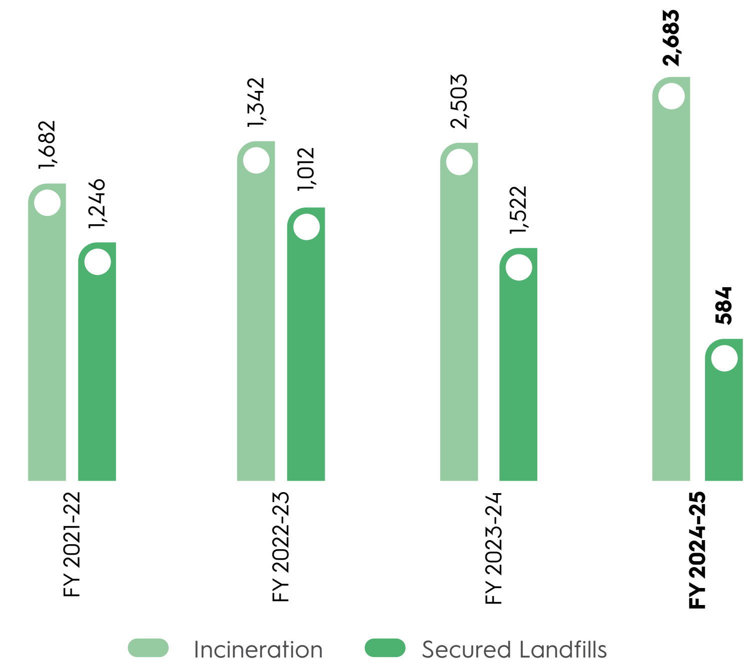


Waste Directed to Disposal[23]

In FY 2024-25, total waste directed to disposal from our global operations amounted to 3,267 MT, a reduction of 19% compared to 4,025 MT in last year.

Cipla has successfully achieved Zero Waste to Landfill across all our Indian manufacturing operations ahead of December 2025 target. We have reached this milestone by significantly increasing the recycling and co-processing of waste, thereby effectively minimising the amount directed to landfills.

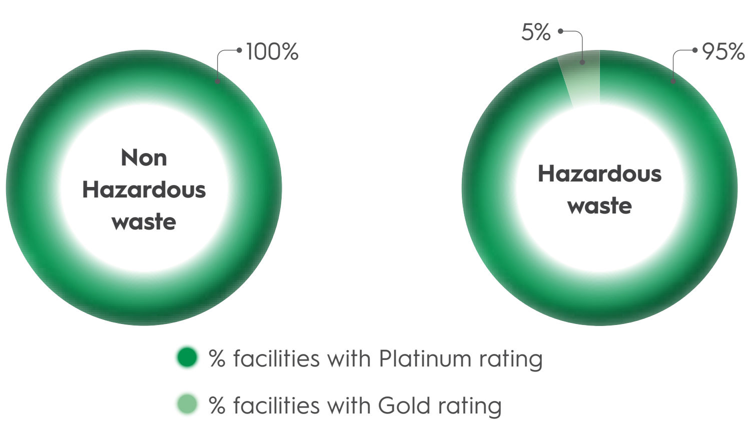
Global waste directed to disposal (in MT)



External Certification for Zero Waste to Landfill

Our commitment to sustainability drives us to push boundaries and set new benchmarks in responsible waste management through strategic interventions and enhanced waste segregation and sustainable disposal strategies.

The Zero Waste to Landfill ("ZWTL") certification underscores our dedication to achieving excellence in waste management, with all facilities achieving top-tier ratings. The certification scale classifies sites as Platinum (waste diversion rate of 95% or above) and Gold (waste diversion rate of 90% or above).



[23]GRI 306-5

Waste Diverted from Disposal[24]

We make focused efforts to divert our waste from disposal via recycling and other recovery operations. Globally 18,845 MT of waste was sent for recycling in FY 2024-25. Further, 9,788 MT of waste was diverted from disposal through other recovery operations.

The table below provides details on our global waste diverted/ disposal by channels:

Waste Channel	TWQ (MT)	%
Recycling	18,845	59%
Sold as scrap	5,014	16%
Incineration	2,683	8%
Co-processing	1,436	5%
Pre-processing	2,936	9%
Landfilling	584	2%
Composting	327	1%
Buy back	75	0%
Total	**31,900**	**100%**

TWQ (MT) – Total Waste Quantity (MT)

% – Percentage

Channelising Waste to Value[25]

In FY 2024-25, we continued to collect 100% of both pre and post-consumer plastic waste of 24,603 MT. Of the collected waste, 12,515 MT was recycled and 12,088 MT was co-processed. Furthermore, an external audit of our Extended Producer Responsibility ("EPR") channel partner reinforced our compliance with the PWM Rule, as we diligently filed our annual return on the EPR portal. For FY 2025-26, we are committed to maintaining 100% EPR compliance for both pre and post-consumer plastic waste.

As a result of the plastic collected and channelised for FY 2024-25, this is equivalent to the following savings of:

2,34,219

Energy Saved (MWh)

2,68,354

Water Saved (Kl)

28,847

tCO_2e emissions avoided

Product Lifecycle Assessment[26]

Building on our efforts from previous year, we conducted a Product Carbon Footprint ("PCF") assessment for four anaesthetic inhaler products: Sereflo Ciphaler DPI 500mcg inhaler, Sereflo pMDI 125/25mcg inhaler, Kelhale pMDI 100mcg inhaler and Becloformo pMDI 100mcg inhaler, manufactured at our Indore and Goa facilities in India. This assessment, along with a Life Cycle Assessment ("LCA"), was performed in accordance with ISO 14067 and ISO 14040/44 standards, covering all four phases: goal and scope definition, life cycle inventory analysis, life cycle impact assessment and life cycle interpretation.

Our Summary Report on the Product Life Assessment undertaken can be accessed here:

Scan here

[24]GRI 306-4 and Information in line with BRSR Question no. 9 under essential indicators of Principle 6
[25]Information in line with BRSR Question no. 4 under essential indicators of Principle 2
[26]Information in line with BRSR question no 1 and 2 under leadership indicator of Principle 2

Managing Toxic Chemicals[27]

To strengthen our industrial hygiene practices, we have implemented a structured process for evaluating the inherent hazards associated with chemicals, raw materials, intermediates and potential exposures during handling. This assessment is conducted through both qualitative and quantitative methodologies to monitor and mitigate risks to human health and the environment. Our approach aligns with the guidance provided by the International Council for Commercial Arbitration ("ICCA") on chemical risk management for pharmaceutical compounds. Additionally, these processes are reinforced by a team of skilled and experienced in-house toxicology and industrial hygiene experts.

Our risk assessment process involves characterising hazards and determining exposure potential based on factors such as quantity, duration of operations, material properties and occupational hazard classification. Containment control strategies are then applied to ensure safe handling, with a focus on minimising exposure through effective engineering and administrative controls. These controls are identified during the new product introduction phase through a documented risk review involving toxicology and industrial hygiene functions and are subsequently implemented after review by the site EHS team.

We also comply with Registration, Evaluation, Authorisation and Restriction of Chemicals ("REACH") regulations for shipping products to REACH-regulated countries, ensuring strict adherence to all relevant requirements. However, under clause 2.2.3.2 of the REACH Registration Guidelines, our products do not require registration. None of our products contain substances listed as Substances of Very High Concern ("SVHC") and all undergo rigorous quality checks and testing before market release.

As part of this commitment, we have developed and trained Industrial Hygiene Champions across our manufacturing sites to conduct risk assessments for chemical exposure. These champions systematically map each activity and task to evaluate exposure levels and provide recommendations to ensure that exposure is maintained at ALARP (As Low As Reasonably Practicable) levels.

Nurturing Biodiversity

In FY 2022-23, we became a signatory to the India Business and Biodiversity Initiative ('IBBI'). In alignment with this commitment, we have established objectives for our India manufacturing units to assess and mitigate risks associated with biodiversity loss while identifying opportunities for sustainable value creation. We have developed a robust Biodiversity Policy to further demonstrate our commitment to preservation and protection of our the environment.

Additionally, we have developed our Taskforce on Nature-related Financial Disclosures ('TNFD') report, a pioneering initiative within the pharmaceutical sector. The scope of the assessment covered 37 manufacturing units across India and surrounding areas, analysing potential impacts on local biodiversity and ecosystem services. Sites were evaluated based on national and global standards such as International Union for Conservation of Nature ('IUCN') Rare, Endangered, or Threatened ('RET') species[28], IFC PS 6 and the TNFD Framework. Our detailed TNFD and Biodiversity Risk Assessment Summary report can be accessed here: https://www.cipla.com/sites/default/files/taskforce_on_nature-related_financial_disclosures_tnfd_report.pdf

Scan here

[27]Information in line with BRSR question no 10 under essential indicator of Principle 6
[28]GRI 304-4

Biodiversity Enhancement through Cipla's Wetland Restoration Initiatives

Wetlands are vital ecosystems offering services such as water purification and habitat support for diverse species. In response to the degradation of these ecosystems due to urbanisation and climate change, Cipla Foundation, in collaboration with MYRADA, launched watershed restoration initiatives across eight wetlands in Bengaluru, Karnataka. This initiative aimed to enhance biodiversity, restore ecological balance and improve habitat through strategic interventions.

Restoration Approach

The project focused on integrating native vegetation and habitat rehabilitation. Key interventions included desilting, bund stabilisation, sewage diversion and the creation of avian habitats. This nature-based restoration employed a phased approach from early 2023 to March 2025, ensuring water retention and habitat complexity.

Outcomes

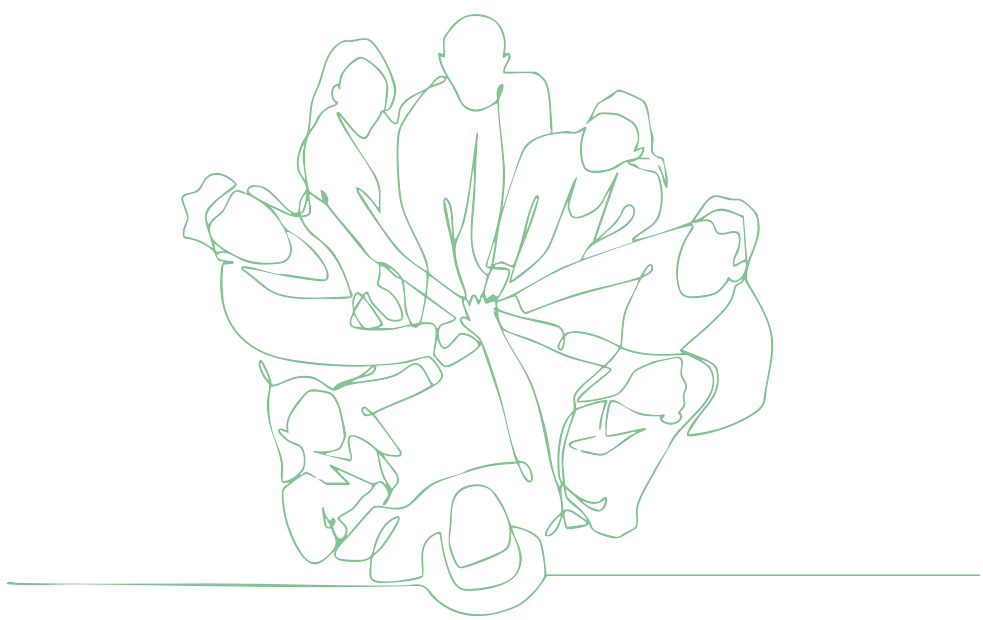
Eight sites near Bengaluru (Kamasandra Agrahara, Rachamanahalli, Muthagatti, Submangala, Thattanahalli, Silagowdrukere Lakes, Patnagere Gollahalli and Muthuru) are regularly reassessed on development of flora and fauna with support of MYRADA team. These projects significantly improved biodiversity, with increased species diversity and ecological function across the targeted wetlands. Seasonal biodiversity assessments during Kharif, Rabi and Zaid cycles confirmed the reappearance of native aquatic plants and increased bird populations, including pond herons and egrets. Fauna assessments documented more pollinators and improved presence of amphibians, revealing better habitat quality. Under watershed initiative, 100 native species were recorded across sites such as Silagowdrukere and Kamasandra Agrahara. Commonly planted species included Stylosanthes hamata for bund stabilisation, Aegle marmelos, Butea monosperma, Dalbergia sissoo and Ficus benghalensis. Grasses such as Cymbopogon martinii, herbs like Achyranthes aspera and climbers like Cardiospermum halicacabum and these plants were chosen for their ecological role in soil stabilisation, moisture retention and habitat provision. The restoration focused on species resilient to local drought conditions.

Community Engagement

Local communities played an integral role in the initiative's success. Community engagement, ongoing ecological monitoring and awareness campaigns were vital in fostering stewardship and sustainability. These efforts ensured adaptive management and continuous biodiversity tracking through Biodiversity Management Plans ("BMPs").

Impact Analysis

Seventy-two species from the pre-restoration flora persisted in Silagowdrukere tank even after civil works. There was a notable reappearance of aquatic plants, floating vegetation (Lemna minor) and wetland herbs post-monsoon and significant increase in birds populations - species such as pond herons, egrets and lapwings were commonly observed nesting on new islands built within tanks. This initiative serves as a replicable model for wetland biodiversity restoration, emphasising the importance of native species and ecosystem-sensitive interventions.



Financial Capital

Strategic Focus Areas:

- Productivity & Profitability
- Capital Allocation
- Strategic Investments
- Shareholder value

Our Contribution to Sustainable Development Goals (SDGs)

Cipla's strong financial management system combines several financial functions, such as accounting, fixed-asset management, treasury, revenue recognition and payment processing.

By integrating these key components, it ensures real-time visibility into the financial state of our Company while facilitating day-to-day operations, like period-end close processes. This approach creates long-term value for all stakeholders including patients, channel partners, suppliers, government, shareholders, institutional partners, employees and communities in which we operate.

Our Company has consistently demonstrated robust financial performance, underpinned by strategic investments and prudent financial management. This section provides a comprehensive overview of our financial health, highlighting key metrics and capital allocation strategy.

Highlights for FY 2024-25:

7%
Increase in consolidated revenue YoY

30%+
Highest ROIC % achieved till date

25.9%
EBITDA margin

19.1%
PAT margin

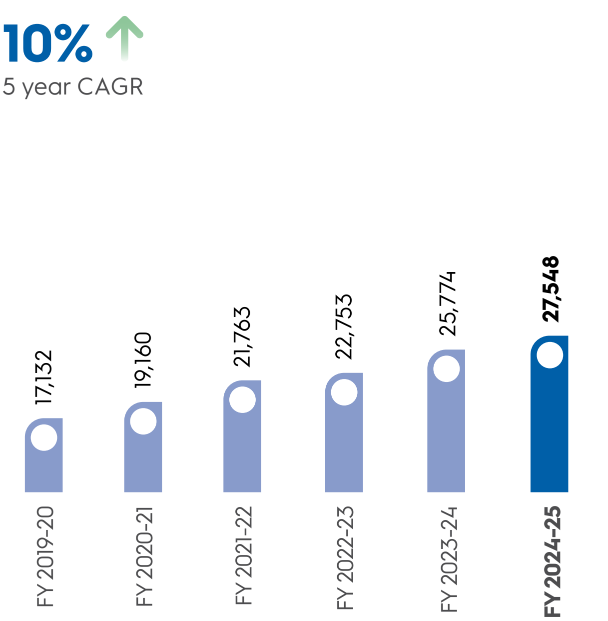
Revenue from operations

In FY 2024-25, our Company reported revenue of ₹ 27,548 crores (FY 2023-24: ₹ 25,774 crores) and grew by 7% on a YoY basis. This performance was supported by growth in focused portfolios of One-India, North America , South Africa and Emerging Markets and Europe.

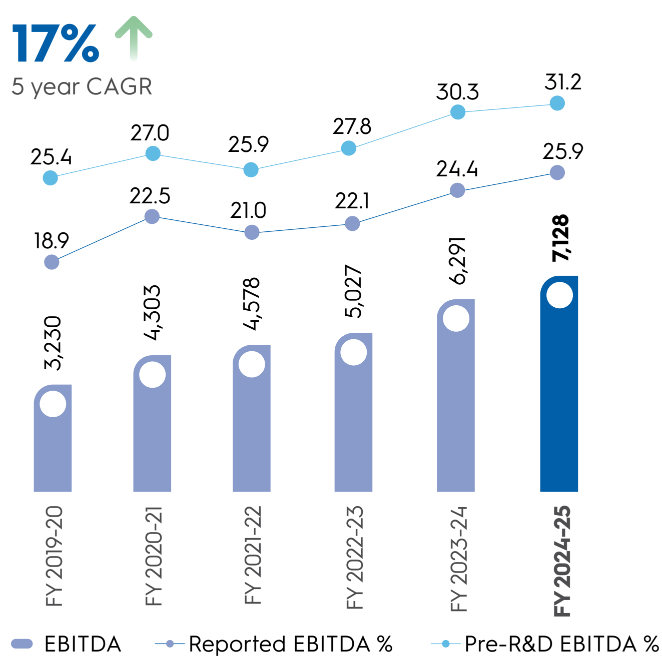
Earnings before Interest, Tax, Depreciation and Amortisation ("EBITDA")[1]

In FY 2024-25, Our Company reported EBITDA of ₹ 7,128 crores (FY 2023-24: ₹ 6,291 crores) with EBITDA margins of 25.9% (FY 2023-24 24.4%). This 145+ bps expansion was driven by product mix, continued rigour on cost and operating efficiency while continuing focus on growth linked investments.

Revenue from operations (in ₹ crores)



EBITDA and EBITDA margin (in ₹ crores & %)

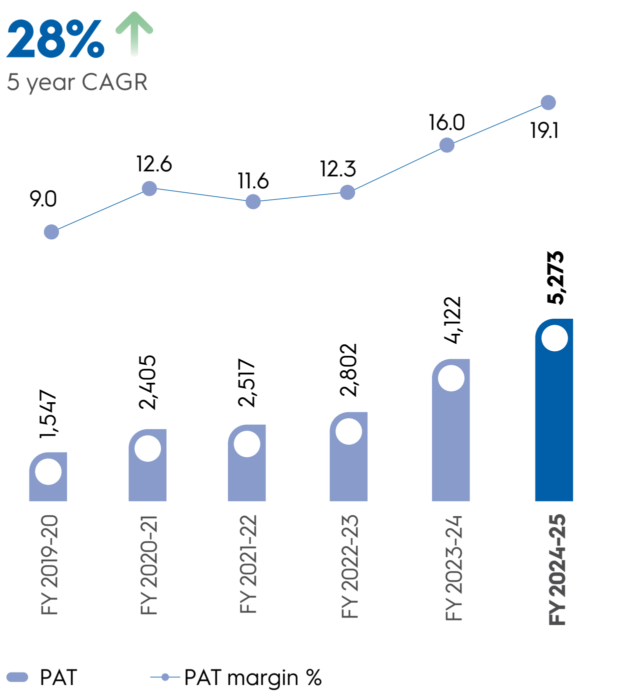


[1]EBITDA = Revenue from operations - (cost of material consumed + purchase of stock-in-trade + changes in inventory of finished goods, work-in-progress and stock-in-trade + employee benefits expenses + other expenses)

Profit After Tax ("PAT"):

Our Company has achieved the highest PAT to date, amounting to ₹ 5,273 crores (28% YoY growth), a testament to our Company's ability to generate profitability, while simultaneously fulfilling social responsibility.

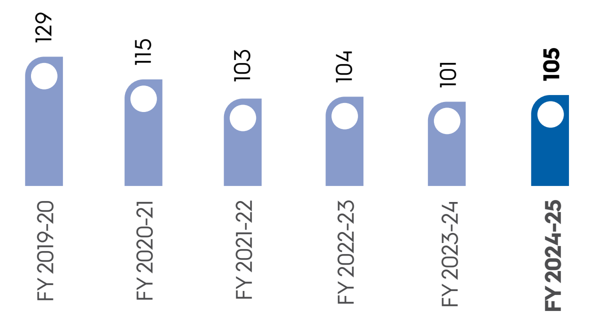
PAT and PAT margin (in ₹ crores & %)



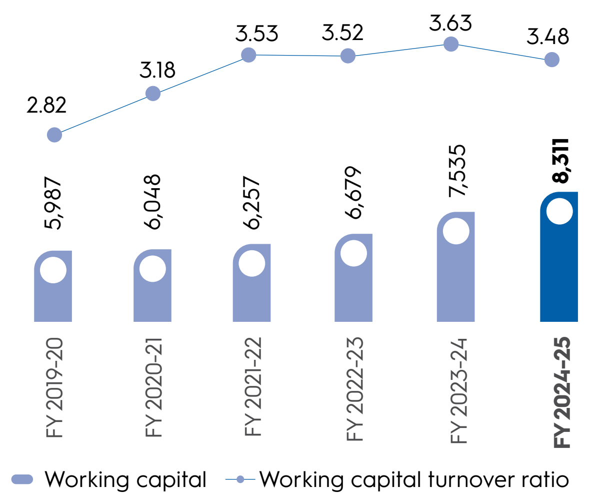
Optimising working capital and cash conversion cycle

Cipla has consistently prioritised effective working capital management, implementing targeted initiatives to manage inventory, receivables and payables. In FY 2024-25, our Company was committed to enhancing liquidity and mitigating risks associated with supply disruptions by taking proactive measures to ensure the timely collection of receivables, maintained sufficient stock of essential raw materials and finished products and extended support to its suppliers and distributors, as necessary. Such efforts help ensure that the markets have adequate supply of products, so that consumers can access products conveniently and continually.

Cash conversion cycle[2] (Number of days)



Working capital (in ₹ crores) and Working capital turnover ratio[3]

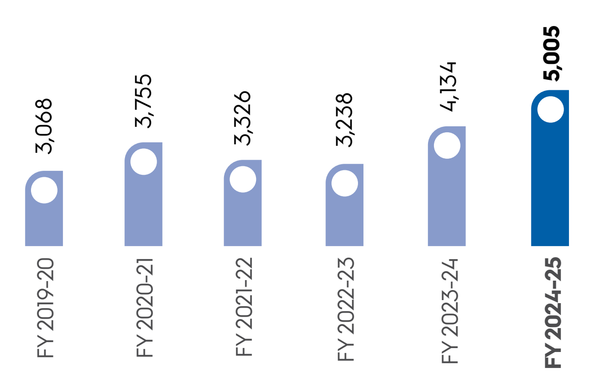


Cash flow from operations and free cash flow

Record profits and improved cash conversion cycle enabled our Company to maintain consistent cash generation. Our Company announced dividend per share of ₹ 16 in FY 2024-25, including a special dividend of ₹3 per equity share, commemorating 90 years of excellence and reinforcing a commitment to maximising shareholder value.

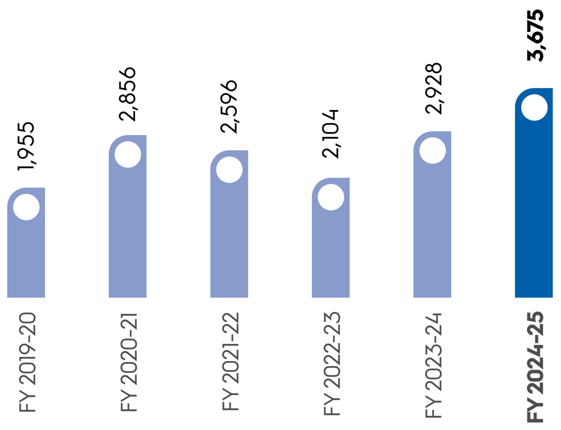
The trends in cash flows are highlighted below:

Cash flow from operations (in ₹ crores)

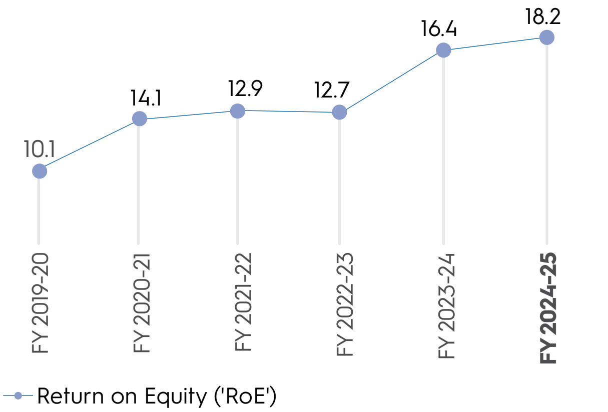


[2] Cash conversion cycle = Average working capital ÷ revenue per day
[3] Working Capital = Trade receivables + inventory – trade payables | Working Capital turnover ratio = Revenue ÷ average working capital

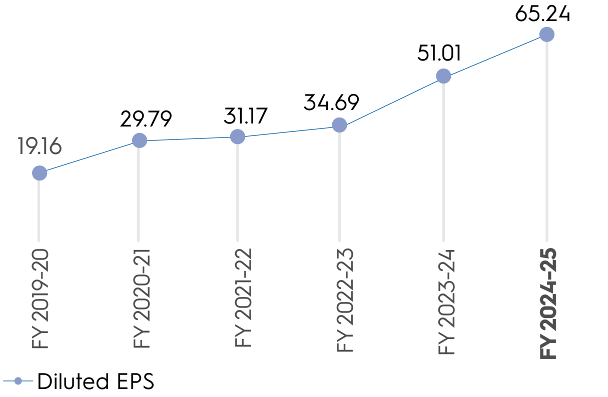
Free cash flow[4] (in ₹ crores)



Return on equity[6] (in%)



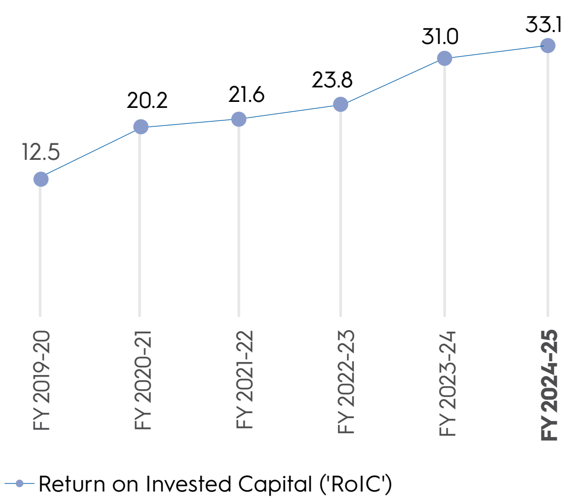
Diluted earnings per share (in ₹)



Sustained value creation

Effective capital management is also reflected in rising Return on Invested Capital ("ROIC") and Earnings per share ('EPS') ratios and a stable trend in Return on Equity ("ROE") ratio. These ratios reflect our Company's ability to generate higher returns for shareholders, allocate capital efficiently and sustain profitability. Such trends highlight Cipla's commitment to maximising shareholder value and solidifying its position as a financially robust organisation.

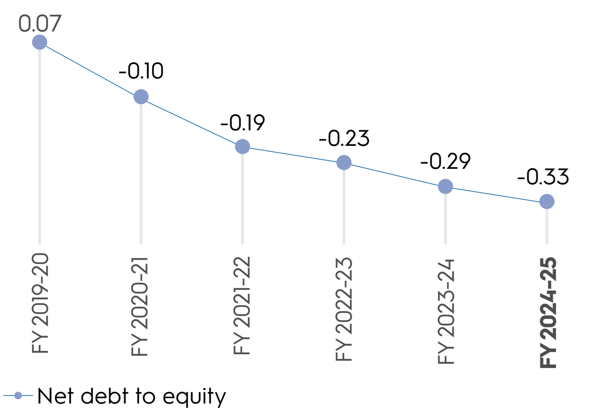
Return on invested capital[5] (in%)



Reduced net debt ratios

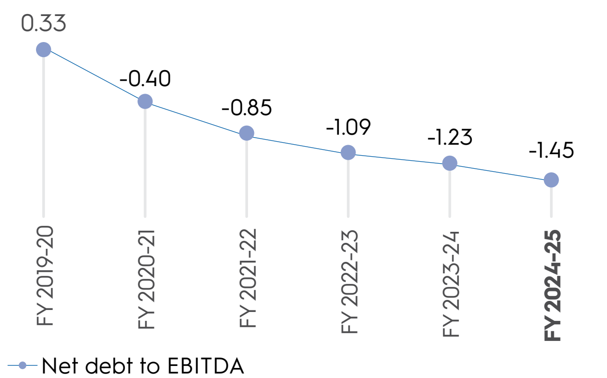
Cipla's financial prudence and commitment to sustainable growth is evident in negative net debt to equity and net debt to EBITDA ratios, as well as a favourable increase in the Interest coverage ratio.

Net debt to equity ratio[7]

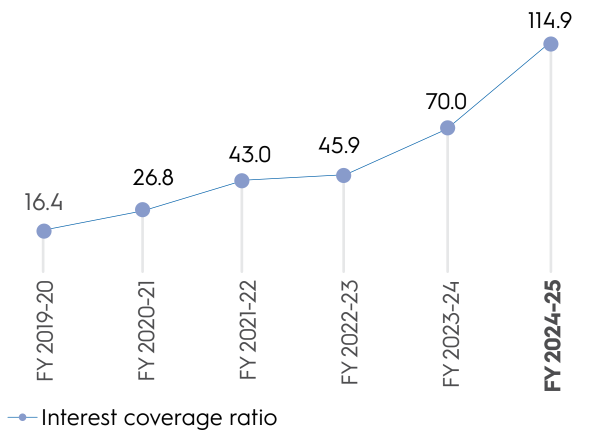


[4]Free cash flow = Cash flow from operations (net of tax) + interest income - interest expenses – capex (tangible and intangible)
[5]RoIC = EBITDA - depreciation & amortisation ÷ Average [(fixed assets including goodwill + current assets excluding cash and cash equivalent) - current liabilities excluding borrowings)]
[6]RoE = PAT (after non-controlling interest) ÷ average shareholder's funds (excluding non-controlling interest)
[7]Total borrowings = Total debt + lease liabilities | Net debt = Total borrowings less cash and cash equivalents including fixed deposits, current investments, margin deposits and excludes unclaimed dividend balances

Net debt to EBITDA ratio



Interest coverage ratio[8]



Other key financial highlights

Employee expenses:
Cipla's employee expenses for the year stood at ₹ 4,833 crores, an increase of 12% over FY 2024-25. The increase was largely due to annual increments, performance-linked components and addition of manpower for expanding field force in One India business.

Other expenses:
In FY 2024-25, the other expenses which included R&D, quality, sales and marketing, regulatory, manufacturing, etc. stood at ₹6,658 crores, increasing by 4.8% over FY 2023-24. The other expenses accounted for 24.2% of the revenue (FY 2023-24: 24.7%).

Depreciation and Amortisation:
During FY 2024-25, depreciation and amortisation expenses stood at ₹ 1,107 crores (FY 2023-24: ₹ 1,051 crores). This includes impairment of intangible assets and intangible assets under development.

Finance cost:
During FY 2024-25, finance cost stood at ₹ 62 crores, which is lower than FY 2023-24 expenses of ₹ 90 crores.

Tax expenses:
The effective tax rate stood at 22.4% for FY 2024-25. The lower effective tax rate in FY25 is due to reversal of previously recognised tax provisions.

Leverage position:
Robust operating profitability and strong free cash-flow generation enabled our Company to maintain a healthy debt to equity ratio, improving it to 0.01 in FY 2024-25 (FY 2023-24: 0.02). Driven by relentless focus on cash generation and rigour on cost discipline, our Company continues to be a net cash positive as on 31st March, 2025.

Operating profit margin (%):
Operating profit for FY 2024-25 stands at healthy 21.9% (FY 2023-24: 20.3%) majorly accounted by favourable product mix.

Other key ratios

Ratio	FY 2024-25	FY 2023-24
Debtors' turnover ratio	5.4	5.8
Return on Net-worth	18.2%	16.4%
Inventory turnover ratio	1.6	1.7
Current ratio	4.2	3.7
Debt-service coverage ratio	47.83	32.6
Operating profit ratio	21.9%	20.3%
Net profit margin	19.1%	16.0%

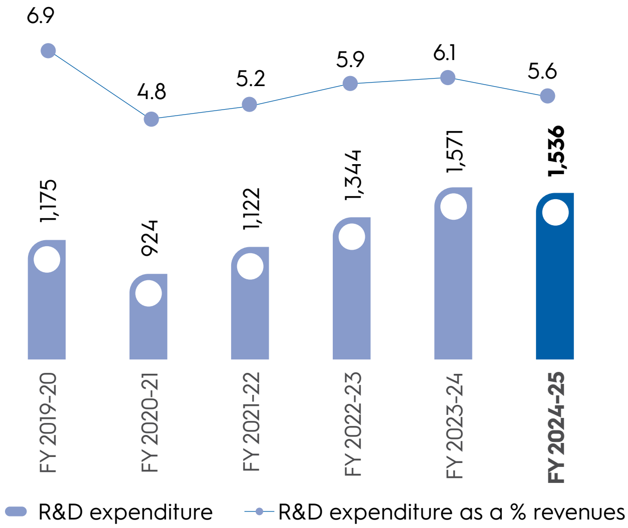
No material changes and commitments have occurred after the close of the year till the date of this report, which may affect the financial position of our Company. Further more, there have been no significant changes in other key financial ratios requiring disclosure and explanation as per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

R&D expenditure:

In FY 2024-25, our Company's spend in R&D were ₹ 1,536 crores or 5.6% of revenues, reflecting its commitment to developing cutting-edge healthcare solutions and strengthening its position as a provider of high-quality and affordable medicines.

[8]Interest coverage ratio = EBITDA ÷ Total finance cost

R&D expenditure (in ₹ crores and %)



The absolute trajectory of the spends and product filings remains intact, with all priority assets progressing well and other portfolio development efforts remaining on course.

Abbreviated New Drug Application ("ANDA") and New Drug Application ("NDA") portfolio and pipeline

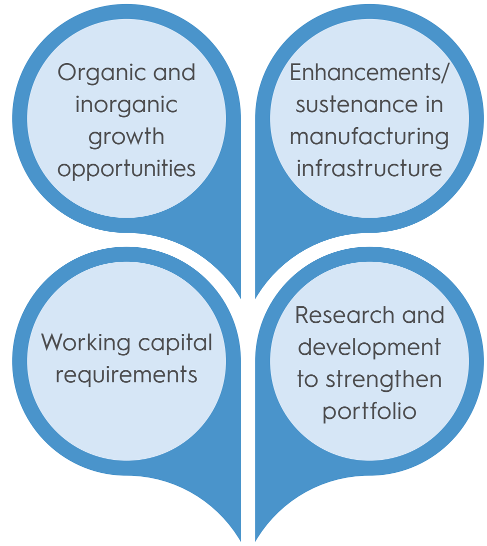
Please refer to Intellectual Capital on page no. 74 of this report for our Company's "ANDA" and "NDA" portfolio and pipeline.

Capital allocation[9]

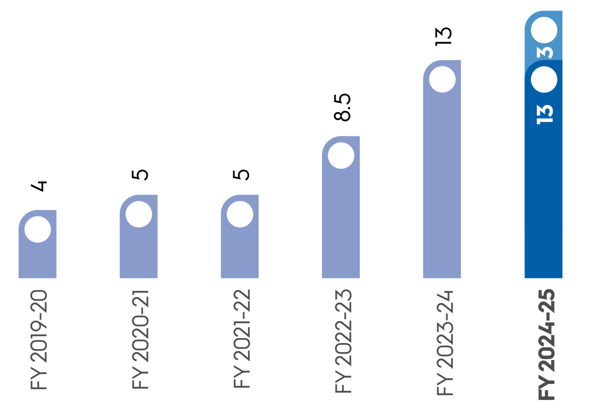
Cipla's management and the Board strive to optimise capital allocation based on business and financial parameters, ensuring a sustainable foundation for its operations. Shareholders play a crucial role in success demonstrating continued trust and also providing them with the capital required for growth aspirations. Our Company's capital allocation policy aims to strike a judicious balance between retaining cash for operations and contingencies, while also rewarding and creating value for shareholders.

The Board has a policy of dividend pay-out of up to 30% of consolidated PAT. Nonetheless, it retains the flexibility to recommend a lower dividend based on a comprehensive analysis of the business environment and other internal, external and regulatory factors.

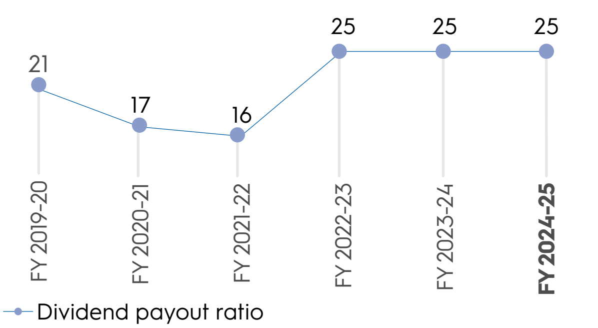
Cipla recognises the importance of cash retention for its growth, expansion and diversification endeavours. Our Company has a robust financial management process that assesses the requirement of funds for sustainable business operations and continues to strategically commit capital across value-accretive avenues and future growth levers.



Dividend per share (in ₹)



Dividend payout ratio (in %)



To align the growth with the overall profitability it is proposed to pay dividend per share of ₹ 16 for FY 2024-25.

[9]GRI 3-3

Management Discussion and Analysis

Cipla's 90-year commitment to advancing healthcare has significantly impacted patients worldwide. Guided by its purpose, 'Caring for Life', Cipla excels in multiple therapeutic areas, especially respiratory care in India and emerging markets. The Company has transformed its business models, expanded its global footprint and reinforced its competitive edge.

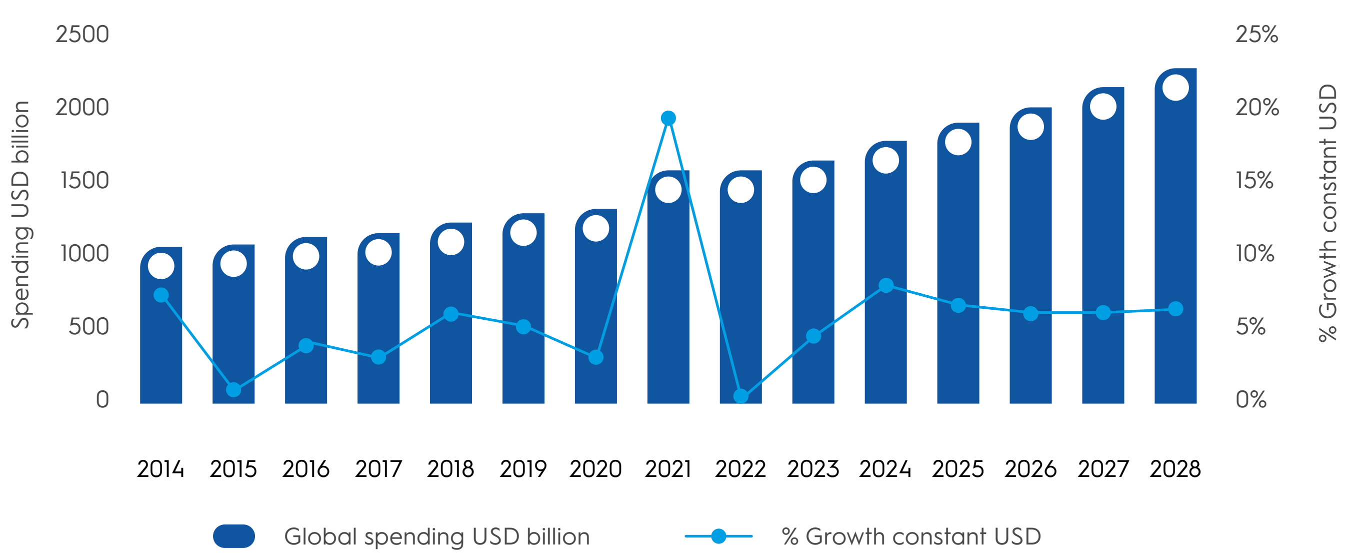
Cipla invests in automation and digitalisation to enhance efficiencies in portfolio selection, manufacturing, supply chain and quality operations. It prioritises talent development, fostering a culture of agility, innovation and excellence. Cipla maintains a robust quality management system to ensure regulatory compliance and boasts advanced manufacturing capabilities for high-quality exports. In R&D, Cipla is increasing spending on respiratory products, peptide injectables and biosimilars, integrating data science and digital technology into its efforts.

Cipla offers complex products at affordable prices, serving patients with innovative respiratory drug-device combinations, complex formulations and a wide array of capabilities across injectables, oral solids and inhalation therapies. The Company strategically leverages opportunities while managing risks.

Globally, Cipla's teams work to meet patient expectations, strengthen core operations, and identify emerging opportunities to deliver superior returns to shareholders. The Company has exceeded stakeholder expectations with rigorous portfolio execution and financial discipline, driving higher profitability and improved cash flow. Cipla focuses on fortifying its core franchises while exploring new areas like complex generics, biosimilars, new therapies, inhalation devices, diagnostic solutions, advanced technology platforms and digitised business models. The consumer business has shown steady growth, addressing unmet needs in categories such as pain relief, cold and cough, smoking cessation, gut health, skincare and feminine hygiene.

Global overview and Key Therapy areas:

Global medicine market size and growth for 2014–2028 including estimated COVID-19 vaccine and therapeutic spending:



Source: IQVIA Market Prognosis, September 2023; IQVIA Institute, December 2023.

The total amount spent on purchasing medicines from manufacturers before off-invoice discounts and rebates is projected to reach USD 2.3 trillion by 2028, growing at an annual rate of 6–9% (at 5–8% including expenditures on COVID-19 vaccines and therapeutics). Growth trends are expected to stabilise following disruptions experienced during the 2020–2023 pandemic period. Key drivers of this recovery include launch of new product and the effect of patent expiries, with biosimilars playing an increasingly significant role in shaping market dynamics.

By 2028, the highest forecasted therapy areas for spending include oncology, immunology, diabetes, cardiovascular and neurology. Oncology is expected to see a 14–17% Compound Annual Growth Rate ('CAGR') through 2028, driven by the continued launch of novel cancer treatments. Diabetes is projected to become the third-largest therapy area globally, reaching nearly USD 184 billion, with an estimated growth of 3–6% over the next five years. Seasonal respiratory infections, including cough, cold and flu along with flu vaccines are expected to grow at 5% through 2028. Mental health spending is forecasted to rise by 9–12%, fueled by innovations in anxiety and depression treatments, while obesity-related therapies are anticipated to grow at 24–27% as highly effective treatments gain wider adoption across multiple countries.

Cipla is moving in line with the global trends:

Respiratory:

One India business leads in Respiratory, ranking #1 with a market share of over 25%[1]. In North America, Cipla is fourth largest player in terms of number of prescriptions[2]. Albuterol enhanced its market share to ~18% during the year.

Oncology:

North America has consolidated its Oncology franchise with gRevlimid, Lanreotide ANDA and Lanreotide 505(b)(2) in the portfolio. Recently, the business has also received the generic drug approvals of Nilotinib 505(b)(2) and gAbraxane with a plan to launch in FY 2025-26.

Other Chronic therapies:

Our key brands like Dytor, Urimax franchise, Tazact etc. continued to grow faster than, the market and gained market share. During the year, the business also launched Empagliflozin in India, a medication used to treat type 2 diabetes, and other conditions like chronic kidney disease and chronic heart failure.

In the long term, the Company aims to strengthen its presence in 505(b)(2) and Oligonucleotide assets, alongside advancing a Global Biosimilar asset currently in the early stages of development. Additionally, the company aspires to become 'Future Fit' by investing in emerging therapies, with a focus on areas such as Mental health and Obesity.

Evolving framework across key regulated markets

In 2024, the approval of novel drugs, first generics, biologics and biosimilars progressed steadily across nations, ensuring seamless availability of essential chronic treatments for patients globally. Meanwhile, the global pharmaceutical sector is witnessing major influences from evolving regulatory policies, the adoption of advanced digital health solutions, therapeutic advancement and the growing emphasis on sustainable practices. These elements are collectively driving innovation and shaping the industry's future.

National List of Essential Medicines ('NLEM'), 2022 - Indian Pharmaceutical Market

In a bid to make drugs affordable, Ministry of Health and Family Welfare revisits and revises National List of Essential Medicine ('NLEM') every five years. NLEM 2022 was released by the Ministry in September 2022, a revision to the previous NLEM 2015 (delayed by around two years due to pandemic). Pricing of several antibiotics, vaccines, anti-cancer drugs and many other important drugs have become more affordable effective from 11th November, 2022. The NLEM focuses on aspects such as safety,

[1&2] IQVIA MAT March 2025

efficacy, availability and affordability. It comprises of 384 drugs across 27 categories. While the 2022 list has 34 new drugs, 26 drugs from the 2015 list have been removed. Cipla is compliant with the Drug Price Control Order ('DPCO') and ensures adherence to pricing regulations set by the government. The Company is committed to patient well-being by prioritising patient-centricity, affordability and accessibility through the production of high-quality medicines.

Advanced therapies

The global pharmaceutical industry is evolving with key therapeutic trends. Oncology leads growth with innovative treatments, while immunology and neurology are emerging as critical areas with breakthroughs in biologics and neurological care. Diabetes and cardiovascular treatments continue to address widespread health challenges and rare diseases see rising focus through personalised medicine. Efforts in infectious diseases are shifting beyond pandemic treatments to broader health concerns. These trends highlight the industry's commitment to innovation and addressing diverse healthcare needs.

Health tech innovations

Digital health solutions are revolutionising the pharmaceutical industry by enhancing patient care and streamlining operations. Through tools like telemedicine, health apps and wearable technologies, they enable remote monitoring and personalised treatment. These innovations improve medication adherence, facilitate real-time data collection and support research and development. Additionally, digital platforms strengthen communication between healthcare providers, patients and pharma companies. Together, they drive efficiency, accessibility and better health outcomes globally.

Medical devices

In 2024, the Indian government continued to advance initiatives under the National Medical Devices Policy, aimed at fostering domestic growth in the sector and ensuring the availability of affordable, high-quality medical devices for global markets. In alignment with this policy direction, Cipla remained focused on strengthening its leadership in respiratory devices by identifying and investing in strategic areas within the segment. The Company further enhanced its internal regulatory frameworks and refined its overall device strategy to better align with evolving market dynamics across both domestic and international markets.

Artificial intelligence ('AI')

In FY 2023-24, Cipla committed to 15 AI use cases across operations, markets, talent and strategy, leveraging AI to derive personalised insights from large, unstructured data sets. Encouraged by initial success, we have begun establishing a scalable AI foundation—focusing on people, training, frameworks, and ecosystem—while specialised teams identify key integration areas to optimise processes and drive innovation. AI training programs are being introduced and partnerships with leading research institutions and tech firms will ensure we stay ahead of advancements. By continuously monitoring AI's impact, refining strategies, and fostering a culture of learning, we aim to maximise its value. In FY 2024-25, we will scale these initiatives, enhance innovation in healthcare technology and maintain transparency to build stakeholder trust.

Key Financial highlights

Please refer to Financial Capital on page no. 128 of this report for key financial highlights and financial performance of the Company in FY 2024-25.

Business performance and Outlook

One-India

Cipla's One-India business comprises of branded business, trade generics (through Cipla Pharma and Life Sciences Limited) and consumer health business (through Cipla Health Limited). Cipla's One India Business posted a healthy growth of 7% for the financial year, propelled by traction in branded prescription, trade generics and consumer health business. The business continues to witness strong growth across core therapies.

The focus for FY 2025-26 will be towards maintaining market beating growth, increasing the share of chronic therapies, traction in big brands, industry leading medical representatives' productivity and enhancing patient experience with digital analytics and data science.

Branded prescription business

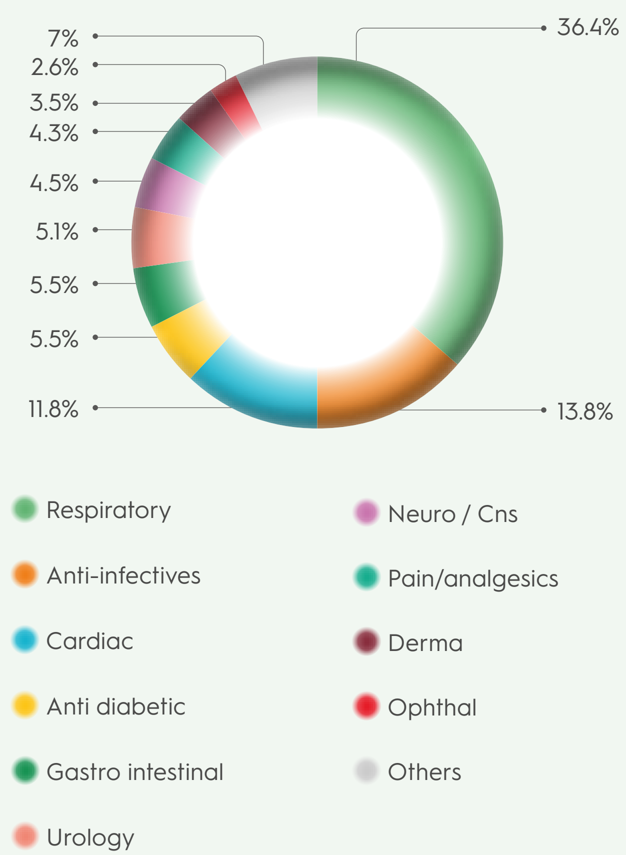
Cipla's branded prescription business has maintained strong momentum in FY 2024-25. Chronic therapies have been a key growth drive for us, with faster than market growth in our focus therapies of respiratory, cardiac and urology.

The contribution of chronic therapy sales has increased to 61.5%, driven by strong growth in chronic therapies and the strategic addition of anti-epilepsy brands from Sanofi. Our brand, Foracort, has consistently held the No. 1 position in the Indian Pharma Monthly ('IPM') throughout the year and continues to maintain its top ranking, recently crossing ₹ 900 crores in sales for the first time in MAT March 2025. Furthermore, our top brands continue to outperform the market across key focus therapies. In the Cardiac segment, the Dytor franchise has entered the IPM Top 50, while in Urology, the Urimax franchise has joined the ₹ 400 crores club, with its flagship brand, Urimax D, securing a spot in the IPM Top 100. Additionally, our anti-AR brand, Montair

LC, has entered the ₹ 300 crores club, further strengthening our presence in the market.

Therapy	Market rank	Market Share	Cipla Growth	Market Growth
Overall	3	5.5%	7.4%	8.0%
Chronic	2	8.6%	7.6%	9.8%
Acute	8	3.5%	7.2%	6.9%
Respiratory	1	25.3%	6.1%	3.4%
Urology	2	12.4%	18.9%	13.6%
Anti-infectives	4	6.9%	7.2%	5.1%
Cardiac	7	5.0%	12.6%	11.7%
Gastro-Intestinal	10	2.8%	11.5%	9.7%
Anti-diabetics	10	3.4%	8.5%	8.2%

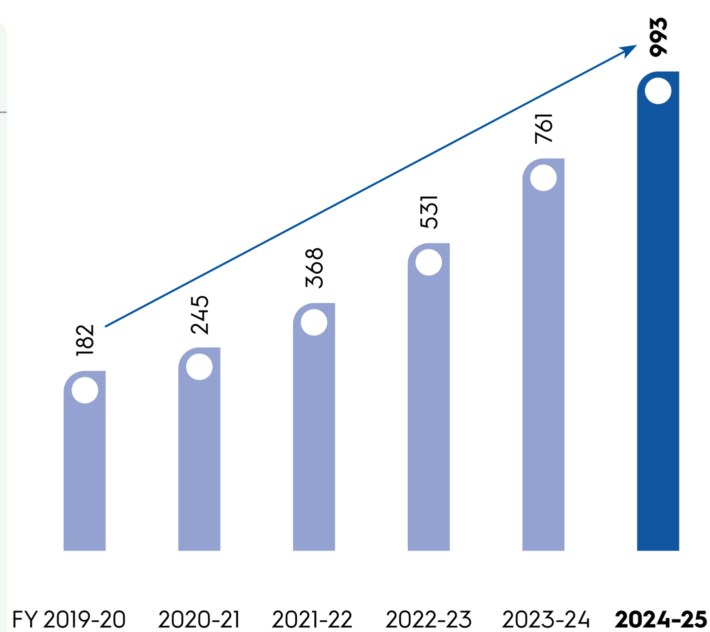
Therapy-wise share split of India Branded prescription business



Source: IQVIA MAT March 2025

We continue to strengthen our presence in targeted therapies by partnering with global pharma companies. Our In-licensing portfolio has grown at 40% CAGR over the last 5 years. Our partnerships include in-licensing deals with Novartis and Eli Lilly in the Anti-diabetes segment, with Roche in oncology and with Sanofi in Anti-Epilepsy. In FY 2024-25, we entered into a partnership with Orchid Pharma Limited for their Antimicrobial Resistance ('AMR') portfolio. This partnership aligns with our strategy to build a robust portfolio in the AMR space. Our partnership with MannKind Corporation, USA for inhaled insulin will provide patients in India with access to this device for the first time, further expanding our portfolio of anti-diabetes medicines. To further strengthening our ophthalmology portfolio, we have signed our first multi-regional licensing deal with Formosa Pharmaceuticals Inc., to bring an innovative treatment - clobetasol propionate ophthalmic suspension.

Strong Sales in In Licensed Deals (in ₹ crore)



Outlook FY 2025-26

We aim to sustain our growth momentum and outperform the market by strengthening our core brands and ensuring successful new launches. Our focus will remain on high-efficacy molecules in Anti-diabetes, Respiratory and AMR therapies. Enhancing field force productivity and supporting healthcare professionals ('HCPs') and patients will be key priorities, supported by the continued integration of digital tools and analytics. While pricing pressures from NLEM changes are expected to persist, we will mitigate the impact through volume-led growth.

Trade Generics business

In FY 2024-25, the generics business unit at Cipla Pharma and Lifesciences Limited, subsidiary of the Company, transitioned to a new distribution model and optimised operations to enhance profitability and sustainability. The implementation of the newly structured distribution framework led to a temporary business impact during the first two quarters of the year. However, the business continued to thrive in a dynamic and challenging market environment, demonstrating resilience and adaptability in the face of challenges. The business continued to strengthen its leadership position in the generics market industry via brand building initiatives and improving reach via deep distribution.

The retail vertical of the business has expanded across India, enabling productive engagements at over 1.5 lakh retail and pharmacy stores. This expansion is enhancing the reach and demand for generic products, ensuring accessibility down to the last mile. Additionally, the business continues to invest in innovative digital capabilities, broadening its audience and fostering new ways to engage with customers. To meet evolving patient needs, new products have been introduced, further strengthening the portfolio. Moreover, consumerisation initiatives are being expanded to bring products closer to users, enhancing accessibility and overall impact.

Outlook for FY 2025-26

The business unit aims to continue the growth momentum and is committed to enhancing its core business through strategic measures such as simplified commercials, concentrated emphasis on big brands, launching new products, increasing field presence across geographies & therapies, implementing market shaping initiatives and driving a mass market portfolio.

At the same time, focus will be on building new business by strengthening presence in emerging therapies and consumer segments, leveraging innovative digital tools for improved engagement with channel partners and launch of patient centric initiatives. The business remains committed and focused to delivering value to all stakeholders and building to improve access to patients.

Consumer business

In India, Cipla's consumer health business is housed under its wholly owned subsidiary, Cipla Health Limited ('CHL'). In FY 2024-25, the business continued to drive "illness to wellness" theme led by brand building initiatives, deep distribution and category innovations.

Consumer reached

~550K+
Pharmacies*

200K+
Grocers and Others*

110K+
Cosmetics*

~10K+
Modern Trade**

12
E-commerce**

*Basis AC Nielsen data

** Basis internal data

The business delivered strong growth with healthy profit margins led by healthy traction in both core and emerging brands driven by high consumer awareness through robust media campaigns and in-depth consumer insights conducted throughout the year. The business has five core ₹ 100 crores+ brands and is well positioned for growth across brands.

In FY 2024-25, CHL also completed the acquisition of Ivia Beaute Private Limited to further strengthen its position in the fast-growing beauty and personal care sector catering to the aspirational consumer of India. CHL has an omni channel sales distribution with presence across Chemists, Grocers, Cosmetic Stores, Modern Trade, E-Commerce, Quick Commerce as well as D2C channels.

Top brands like Nicotex, Omnigel, Cofsils, Prolyte, Cipladine, Endura Mass and Maxirich continue to build a strong connect with their consumers through an "Always On Media" approach.

Anchor Brands

Omnigel
#1**
Pain Care

Cipladine
#1**
Medicated Ointments

Prolyte ORS
#2**
ORS

Astaberry
#2***
Hair Removal Cream

Nicotex
#1*
Nicotine replacement therapy

Cofsils
#2**
Sore Throat

Note: Market share as per latest market estimates

*IQVIA estimates as on March 2025 I ** AC Nielsen Estimates as on March 2025 I *** AC Nielsen Estimates as of March 2025

Outlook for FY 2025-26

- **CHL will continue the growth momentum by making big brands bigger, strengthening current portfolio position in the market, and build a formidable franchise to improve consumer's lives every day.**
- **CHL will focus on brand-building of existing brands while also exploring inorganic opportunities and strengthening its play in digital channels of growth.**

North America

Cipla's North America business delivered its highest-ever annual revenue, reaching USD 934 million, driven by strong momentum in our differentiated product portfolio. This growth was fueled by the successful launch of complex generics such as Lanreotide ANDA and continued value maximisation from our base portfolio. During the financial year, Cipla marked a significant milestone—completing 10 years of direct market presence in the United States. Since the launch of Albuterol five years ago, we have cumulatively shipped over 50 million inhalers to customers across the United States. Our market share in Albuterol segment has increased from 13% at the end of FY24 to 18%[3] at the end of FY25.

During the year, we successfully launched two complex peptide injections in the U.S. market. Additionally, we introduced three injectable products with Competitive Generic Therapy ('CGT') exclusivity, further strengthening our specialty portfolio. Our 505(b)(2) development pathway progressed with the FDA approval of Nilotinib capsules in February 2025, with a planned launch in FY 2025-26. We continued to enhance our respiratory capabilities in the U.S. through strategic investments in our Long Island and Fall River facilities. Notably, we filed Abbreviated New Drug Applications ('ANDAs') for a generic version of Symbicort and another inhaled product over the past 12 months. Furthermore, our Goa manufacturing facility received Voluntary Action Indicated ('VAI') status from the U.S. FDA, paving the way for future product launches from this site.

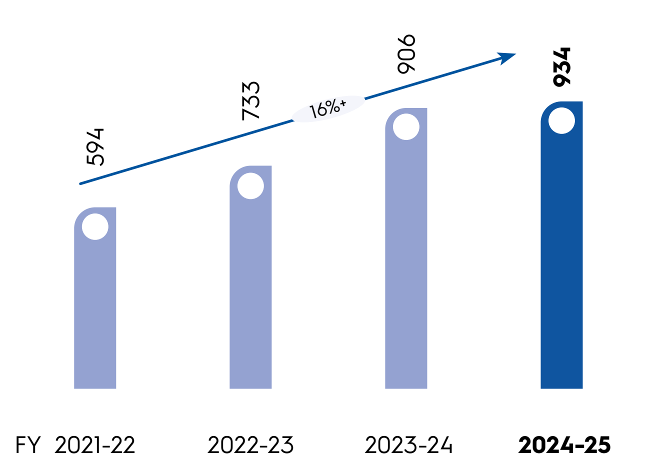
Our commitment to community well-being is reflected in our active participation in initiatives such as the Lung Force Walk through the COPD Foundation, as well as our continued support and funding for the American Cancer Society. These efforts are a testament to our enduring purpose and vision: Caring for Life.

Market Segment	TRx Overall Market Rank	TRx Overall Market Share
Albuterol HFA*	2	18.7%
Budesonide Solution	3	18.0%
Sertraline Tablets	2	22.7%
Esomeprazole Granules	1	44.3%
Ipratropium + Albuterol solution	3	18.8%

Source: IQVIA TRx share for the month of March 2025

*Total Albuterol MDI market

Growth during the years (in USD mn)



[3] IQVIA data for the week ending 28th March, 2025

Outlook FY 2025-26

Our strategic investments in inhalation therapies, complex generics, peptide-based injectables and emerging areas such as oligonucleotides and differentiated 505(b)(2) products are positioning us for sustained growth over the medium to long term. The unlocking of capacity at our China respules facility, along with our Metered Dose Inhaler ('MDI') and Dry Powder Inhaler ('DPI') manufacturing sites in the U.S., is expected to contribute significantly to revenue in FY2025–26 and FY2026–27.

Pipeline Portfolio Update and Break-up

80
Total UA/TA*
March 2024

13
Filed in FY
2024-25

79
Total UA/TA Mar 2025

0
Withdrawals

14
Final Approvals FA* & TA
to FA in FY 2024-25

Note:* UA- Under Approval, TA- Tentative approval, FA- Final approval

One Africa (South Africa, Sub-Saharan Africa, North Africa and Cipla Global Access)

FY 2024-25 delivered strong performance across multiple parameters in One Africa region. Despite an intensive competitive environment, One Africa landed at a revenue of ₹ 3,827 crores with growth of 14% in ₹ terms (Ex-QCIL divestment)

South Africa

Cipla South Africa continued its strong performance, delivering robust core revenue growth and accelerated profitability. The business recorded a 15% year-on-year increase in revenue in local currency terms, reaching ZAR 6.3 billion. This growth was driven by outstanding performance across both the private and tender segments. The private market contributed 77% of the total revenue, with the remaining 23% coming from the tender business.

New product launches played a pivotal role in this success, with fresh offerings contributing significantly to the strong growth witnessed in FY2024–25.

Private Market – OTC and Rx

Cipla's private market business outperformed industry trends, delivering a strong secondary revenue growth of 6.7%—approximately 1.3 times the overall market growth. Cipla now ranks second in the prescription (Rx) market and stands out one of the companies with a business exceeding ZAR 3 billion in value. In the over-the-counter ('OTC') segment, Cipla holds third position, with OTC segment growing faster than the market. Actor Pharma (Pty) Ltd continues to be a key growth driver in the OTC space, with a strategic focus on women's health, anti-infectives and paediatric care.

Both Cipla's OTC and Rx businesses have grown ahead of the market, resulting in increased market share compared to the previous year.

Market Segment	Market Rank	Market Share	Cipla Growth	Market Growth
OTC & OTC SEP	3	8.5%	6.3%	4.4%
Rx	2	8.7%	6.9%	5.8%
Total	3	8.7%	6.7%	5.3%

Source - IQVIA MAT March 2025

Private Market - Therapy View

At a therapy level, Cipla has increased its market shares across key therapies including Respiratory, Nervous System, Musculo-skeletal system Anti-Infectives, Cardiovascular and G.U. System + Sex Hormones.

Therapy	Market Rank	Market Share	Cipla Growth	Market Growth
Systemic Anti-infectives	1	12.3%	8.4%	0.8%
G.U.System+ sex hormones	3	11.8%	22.6%	6.1%
Respiratory system	2	15.1%	3.3%	2.8%
Nervous system	3	11.5%	6.3%	4.9%
Cardiovascular system	3	8.4%	9.2%	3.6%
Alimentary Tr+metabolism	4	5.9%	10.1%	12.6%
Musculo-skeletal system	4	7.4%	8.2%	3.9%
Antineoplast+ immunomodul	8	6.1%	-11.2%	2.4%

Source - IQVIA MAT March 2025

Tender

Cipla's tender business delivered outstanding growth in FY 2024-25, elevating our position to the second-largest player in South Africa's tender market. This performance is underpinned by our strong presence in antiretrovirals ('ARVs'), vaccines, respiratory therapies, and oral solid dosage ('OSD') forms. Through our current tender engagements, we are proud to support the treatment of over three million patients annually.

Outlook for FY 2025-26

The outlook for Cipla South Africa remains highly positive. Building on the momentum of FY 2024-25, we are well-positioned to capitalise on strategic opportunities with a continued focus on profitability. Our growth strategy will center on strengthening market leadership through organic product launches, as well as strategic partnerships and collaborations. We anticipate sustained expansion and deeper market penetration in the coming year.

Sub Saharan Africa ('SSA')

Cipla's Sub Saharan Africa business has demonstrated strong double-digit growth of 18% YoY in FY 2024-25 in USD terms, bolstered by exceptional growth in Ghana in West Africa and Mauritius and Madagascar in the Oceanic cluster. We are strengthening our market leadership in Kenya, delivering growth that outpaces the market by 16% points. Cipla holds a leading position in respiratory therapies and commands over 10% market share in key therapeutic areas including gastrointestinal, pain management and respiratory care.

Outlook for FY 2025-26

The Sub-Saharan business remains deeply committed to delivering innovative treatment solutions to patients across the region. By leveraging digital innovation in asthma and Chronic Obstructive Pulmonary Disease ('COPD') diagnosis, we aim to enhance early detection and access to care for respiratory diseases—further reinforcing our strong market position in the respiratory segment. In parallel, we are focused on building a robust portfolio in cardiovascular and diabetes therapies to address the growing burden of non-communicable diseases. We will continue to strengthen our market leadership in East Africa while accelerating growth in Southern and West Africa, with a particular emphasis on Ghana.

North Africa ('NA')

In FY 2024-25, our North Africa operations delivered exceptional results, achieving 22% year-on-year growth and exceeding both revenue and profit targets, despite facing substantial challenges. Operating primarily in Morocco and Algeria, we strengthened our leadership in key therapeutic areas, ranking first in CNS and second in Respiratory in Morocco, and securing fifth in Respiratory, and second in MDIs in Algeria. Our strategic partnership model also enabled us to extend our reach into French West Africa, significantly improving patient access to critical treatments.

Outlook for FY 2025-26

Looking to 2026, we are preparing for a transformative year as we expand into Oncology, with the launch of treatments for myeloma and myelodysplastic syndromes and breast cancer. We will also continue to build on our strength in respiratory in Morocco and Algeria. We are well-positioned to leverage our strong foundation, strategic vision and leadership to drive continued growth and reinforce our competitive position in the region.

Cipla Global Access ('CGA')

Cipla's revolutionary efforts and established long term alliances with funding organisations globally, have been at the forefront of extending the reach of affordable care for HIV/AIDS and malaria patients since 2001. TLD (Tenofovir/Lamivudine/Dolutegravir 300/300/50 mg) is the most widely taken drug in the 1st line Anti-retro viral('ARV') treatment currently and has reached millions of patients through various Institutional agencies.

In FY 2024-25, we catered to the needs of around 1.5 million + patients in 64 countries and also launched the Paediatric Abacavir/Lamivudine/ Dolutegravir ('pALD'). This was complemented with strong strides made in the availability and supply of Anti Malaria and Reproductive Health medicines as well.

Outlook for FY 2025-26

Cipla Global Access remains steadfast in its mission to deliver life-saving, affordable medicines across multiple countries, primarily in low- and middle-income countries ('LMICs'). In FY2025-26, we aim to expand our impact by launching new products and entering additional therapeutic areas, including reproductive health, oncology and anti-tuberculosis treatments—broadening patient access to essential, low-cost medications. Our focus will remain on scaling capacity, enhancing operational efficiency and onboarding new customers to strengthen our global footprint and ensure sustainable growth.

Emerging Markets and Europe ('EMEU')

Cipla's EMEU region delivered a strong turnaround in FY2024-25, achieving revenue of USD 390 million—reflecting a robust 15% year-on-year growth in USD terms, despite ongoing market volatility. This performance was driven by our deep market strategy and the successful execution of our "Energise, Build & Win" theme, which laid a solid foundation for sustainable growth while maintaining healthy margins.

Portfolio Update:

Our focus is to build future pipeline of differentiated products, both in-house and through licensing route, to drive growth in our deep markets. In FY 2024-25, we filed 100+ products across markets.

Key Launches during FY 2024-25 across EMEU

Molecules	Therapy	Geography
Beclometasone + Formoterol MDI	Respiratory	Germany, Spain, Norway, EU
Fluticasone MDI	Respiratory	France, Saudi Arabia
Fluticasone Salmeterol DPI	Respiratory	Australia, Italy, Saudi Arabia
Dymista NS	Respiratory	China
Esomeprazole	Gastroenterology	China
Dapagliflozin	Antidiabetic	China

Outlook for FY 2025-26

EMEU will continue to prioritise deep market engagement while advancing a differentiated product pipeline. Our focus remains on ensuring timely product launches and fostering meaningful partnerships—key enablers in achieving our double-digit growth aspirations.

Active Pharmaceutical Ingredients ('API')

With its 60+ years' experience in manufacturing APIs, Cipla has produced 200+ APIs of various complexities. The APIs are supplied to 50+ countries across the globe helping local pharmaceutical companies reach out to their patients. The Company continues to be a preferred partner to many large generic pharmaceutical companies globally due to its focus on niche molecules and manufacturing scale. A strong dedicated team of over 300+ scientists aid the Company to differentiate itself with the capability to handle a wide range of chemistries and complex molecules.

Cipla covers a wide array of therapies with 2470 Drug Master Files ('DMFs') submissions till date. Within FY 2024-25, Cipla made 266 DMF filings in various countries. The Company has a robust portfolio of over 158 APIs across regulated markets in various stages of development.

Manufacturing Capability

Cipla operates four API manufacturing sites that are fully compliant with current Good Manufacturing Practices ('cGMP') and approved by leading international regulatory authorities, including the U.S. Food and Drug Administration ('US FDA'), European Directorate for the Quality of Medicines and Healthcare ('EDQM'), Pharmaceuticals and Medical Devices Agency, Japan ('PMDA'), World Health Organisation ('WHO'), Therapeutic Goods Administration, Australia ('TGA'), and Korea Food and Drug Administration ('KFDA').

These facilities include dedicated units for the production of oncology, hormone and corticosteroid active pharmaceutical ingredients ('APIs'), with a total API manufacturing capacity exceeding 850 metric tons. Cipla also brings advanced capabilities in handling a wide range of batch sizes and offers specialised expertise in particle engineering and micronisation—critical for achieving the desired particle sizes in respiratory APIs.

The Company's infrastructure includes three API Research & Development ('R&D') centres, two pilot plants and three safety screening laboratories. All manufacturing sites are equipped with zero liquid discharge systems and comprehensive wastewater treatment facilities, including Effluent Treatment Plants ('ETP') with Multi-Effect Evaporators ('MEE'), Agitated Thin Film Dryers ('ATFD'), Vertical Thin Film Dryers ('VTFD') and Reverse Osmosis ('RO') units. Notably, all of Cipla's India-based manufacturing sites have been certified as 'Zero Waste to Landfill', underscoring the Company's commitment to sustainable and environmentally responsible operations.

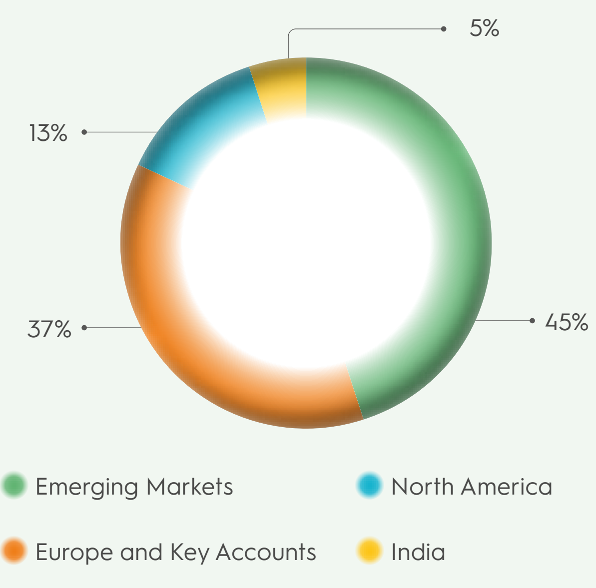
Business Performance

In FY 2024-25, the API Business had multiple headwinds like geopolitical issues, global supply chain interruptions, high inflation rates and pressure on margins for commercialised molecules. Geopolitical issues majorly impacted the prices of Key Starting Materials and Intermediates thereby increasing the API prices. However, the Company was not only agile with regular supplies but also ensured timely supplies to support customers with their critical launches and lock-in with multiple customers.

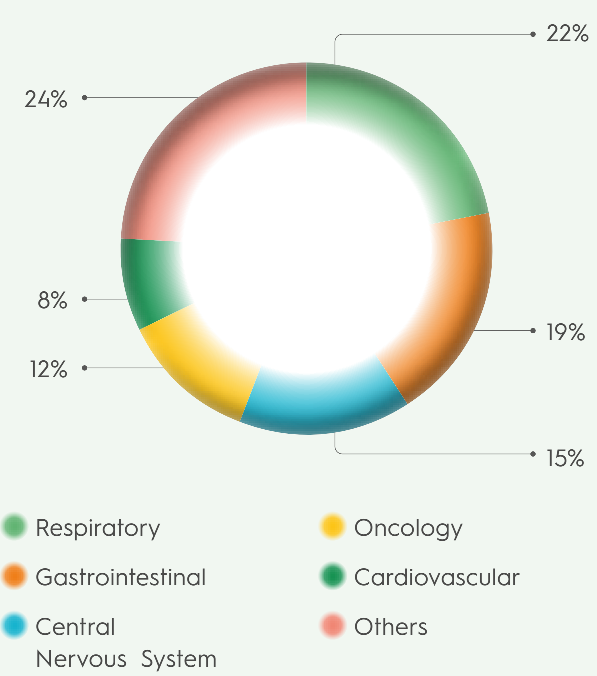
API Business revenue witnessed a marginal dip as compared to the previous financial year. The FY 2024-25 revenue stood at USD 67 million. The revenue by geography and by therapy is reflected in the graph below. The API business delivered strong performance, driven by a successful mix of differentiated products, enhanced traction in market seeding and effective customer lock-ins.

Demonstrating operational excellence, Cipla successfully supplied over 90 distinct molecules to more than 250 customers globally.

FY 2024-25: Revenue by Geography



FY 2024-25: Revenue by Therapy



Cipla continues to strengthen its global footprint by partnering with leading generic companies and innovators to support the launch of new products across key markets, including Europe, Japan, Korea and Brazil. Our strong relationships with some of the world's largest generic pharmaceutical companies have enabled us to enhance value delivery and improve commercial outcomes for our partners. Looking ahead, Cipla aims to increase the number of seeding and lock-in opportunities for new molecules under development—laying the foundation for sustainable and long-term growth. To support this ambition, the company plans to expand its API R&D and manufacturing capacities. A continued focus on productivity and operational excellence has also led to significant cost optimisation, driven by ongoing improvements in process efficiency and yield.

Outlook for FY 2025-26

We remain aligned with Cipla's core purpose of "Caring for Life", striving to improve health outcomes globally. In FY2025–26, the business will continue to execute its reimagined strategy—focusing on critical and high-demand APIs to ensure reliable and uninterrupted supply to customers.

Key priorities for FY 2025-26 include maintaining a strong market position in the Top 10 APIs, onboarding new business through an expanded pipeline of molecules, and enhancing market presence through organic launches. We will also deepen its global footprint by partnering with innovators and expanding into untapped markets, reinforcing Cipla's commitment to sustainable and inclusive growth.

Human Resource Management and Industrial Relations

For details on Cipla's approach towards Human Resources, refer to Human Capital on page no. 78 of this report.

Adherence to accounting standards

The Company continues to adhere to standard accounting policies under the Indian Accounting Standards (Ind AS), applicable since 1st April, 2016. IND AS 116 pertaining to Leases was the sole addition under Section 133 of the Companies Act, 2013. These policies are to be read along with the relevant applicable rules and accounting principles. Changes in policies, if any, are approved by the Audit Committee.

Opportunities

Please refer page no. 48 for opportunities on material topics for the Company in the "Double Materiality Assessment" section.

Threats, risks and concerns

Threats such as geopolitical instability, trade protectionism, rise of popularity of anti-obesity medications, government imposed pricing and market competition can impact the Company's financial stability and hamper its business performance.

The Cipla Enterprise Risk Management ('ERM') program covers its key risks across all its business areas. The Investment and Risk Management Committee of the Board reviews and discusses the risk updates on a quarterly basis.

Please refer Page no. 54 for Enterprise Risk Management framework and overview of key risks and the mitigation measures.

Internal control and its adequacy

Cipla has an adequate system of internal controls commensurate with the nature of its business and the size and complexity of its operations. The Company has adopted policies and procedures covering all financial, operating and compliance functions. These controls have been designed to provide a reasonable assurance over:

- Effectiveness and efficiency of operations,
- Prevention and detection of frauds and errors,
- Safeguarding of assets from unauthorised use or losses,
- Compliance with applicable laws and regulations,
- Accuracy and completeness of the accounting records, and
- Timely preparation of reliable financial information.

The current system of Internal Financial Controls ('IFC') is aligned with the requirement of the Companies Act, 2013 and is in line with globally accepted risk-based framework as issued by the Committee of Sponsoring Organisations ('COSO') of the Treadway Commission.

The Company has an Internal Audit ('IA') function which functionally reports to the Audit Committee, thereby maintaining its objectivity. The IA function is supported by a dedicated internal audit team and resources from external audit firms.

Board's Report

Dear Members,

The Board is pleased to submit its report on the performance of the Company along with the audited standalone and consolidated financial statements for the year ended 31st March, 2025.

Financial Summary and State of Affairs

(₹ in crores)

Year ended 31st March, 2024		Particulars	Year ended 31st March, 2025	
Standalone	Consolidated		Standalone	Consolidated
16,574.34	25,774.09	Gross total revenue	19,044.85	27,547.62
4,946.97	5,896.72	Profit before tax and exceptional item from continuing operations	6,174.16	6,820.81
485.17	-	Profit before tax from discontinuing/restructuring operations	-	-
3,714.19	4,121.55	Profit after tax attributable to shareholders from continuing operations	5,157.65	5,272.52
363.06	-	Profit after tax and attributable to shareholders from discontinuing/restructuring operations	-	-
(81.85)	(60.93)	Other comprehensive income not to be reclassified to statement of P&L from continuing operations	(12.58)	(56.17)
2.09	(59.65)	Other comprehensive income to be reclassified to statement of P&L from continuing operations	2.60	274.83
(0.60)	-	Other comprehensive income not to be reclassified to statement of P&L from discontinuing/restructuring Operations	-	-
19,634.22	18,057.03	Surplus brought forward	22,950.83	21,438.78
23,637.00	22,124.95	Profit available for appropriation	28,095.52	26,694.11
		Appropriations:		
(686.17)	(686.17)	Dividend	(1,049.83)	(1,049.83)
22,950.83	21,438.78	Surplus carried forward	27,045.69	25,644.28

The financial results and the results of operations, including major developments and statement of affairs of the Company have been discussed in detail in the Management Discussion and Analysis.

The above information has been prepared on the basis of the standalone and consolidated financial statements.

Share Capital

During the year, the Company issued and allotted 2,50,058 equity shares of ₹ 2/- each to its employees under the Employee Stock Option Scheme 2013-A and Cipla Employee Stock Appreciation Rights Scheme 2021. As a result, the issued, subscribed and paid-up share capital of the Company increased from ₹ 1,61,47,34,124/- (divided into 80,73,67,062 equity shares of ₹ 2 each) as on 31st March, 2024 to ₹ 1,61,52,34,240 /- (divided into 80,76,17,120 equity shares of ₹ 2 each) as on 31st March, 2025. The equity shares issued under the Employee Stock Option Scheme 2013-A and Cipla Employee Stock Appreciation Rights Scheme 2021 rank pari-passu with the existing equity shares of the Company.

Apart from the above, there were no other change in the equity share capital during the year.

Dividend

The Board recommends a final dividend of ₹ 13 /- per equity share and a special dividend of ₹ 3/- per equity share on the occasion of completing 90 years of the Company, taking the total dividend to ₹ 16/- per equity share for the financial year ended 31st March, 2025. The payment of dividend is subject to the approval of members at the ensuing Annual General Meeting ('AGM') and deduction of income tax at source. Upon approval at the AGM, will be paid to those members whose names will appear in the Register of Members/ Beneficial Owners as at the close of business hours on Friday, 27th June, 2025 i.e. Record Date. The total dividend pay-out will be approximately ₹ 1,292.19 crores, resulting in a payout of 25.05% of the standalone profit after tax of the Company.

The Dividend Distribution Policy of the Company is available on the website of the Company in the investor section and can be accessed by using the link https://www.cipla.com/sites/default/files/2023-05/Dividend-Distribution-Policy.pdf.

Management Discussion and Analysis Report

Pursuant to Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), the Management Discussion and Analysis has been presented in a separate section on page no. 134.

Corporate Social Responsibility (“CSR”)

A detailed report on the Company’s CSR initiatives has been provided in the Social Capital section of the Integrated Annual Report on page no. 106. The Annual Report on CSR initiatives including summary of the Impact Assessment Report, committee composition, salient features of the CSR policy including change therein, etc. as required under Section 135 of the Companies Act, 2013 (“Act”) is annexed as Annexure I to this report on page no. 152. Details of terms of reference of the Committee and meetings held during the year have been provided in the Report on Corporate Governance on page no. 210.

Integrated Annual Report

In compliance with the SEBI circular dated 6th February, 2017, the Company has voluntarily published the Integrated Annual Report, which includes both financial and non-financial information and is based on the International Integrated Reporting <IR> Framework. This report covers aspects such as organisation’s strategy, governance framework, performance and prospects of value creation based on the six forms of capitals viz. financial capital, manufactured capital, intellectual capital, human capital, social capital, relationship capital and natural capital.

M/s DNV Business Assurance India Private Limited was appointed as an independent assurance partner to issue the assurance report on the non-financial information in the Integrated Annual Report for FY 2024-25.

Business Responsibility & Sustainability Report (‘BRSR’)

In compliance with Regulation 34(2)(f) of the SEBI Listing Regulations read with SEBI circular dated 10th May, 2021, the Company has presented the BRSR, for FY 2024-25 in a separate section on page no. 170.

Corporate Governance

In compliance with Regulation 34 read with Schedule V of the SEBI Listing Regulations, a Report on Corporate Governance for FY 2024-25, has been presented in a separate section on page no. 191.

A certificate from M/s BNP & Associates, Company Secretaries, confirming compliance with corporate governance requirements under the SEBI Listing Regulations, is annexed as Annexure II to this report.

Directors’ Responsibility Statement

Pursuant to section 134(3)(c) of the Act, it is confirmed that the directors have:

i. in the preparation of the annual accounts for the year ended 31st March, 2025, followed the applicable accounting standards and there are no material departures from the same;

ii. selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company and the profit of the Company as on 31st March, 2025 ;

iii. taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv. prepared the annual accounts on a going concern basis;

v. laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

vi. devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

Details of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo as required under section 134(3)(m) of the Act, read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is annexed as Annexure III to this report.

Share-based incentive schemes

The Company has the following share-based incentive schemes in force:

- Employee Stock Option Scheme 2013-A ("ESOS 2013 – A")
- Cipla Employee Stock Appreciation Rights Scheme 2021 ("ESAR Scheme 2021")

The Nomination and Remuneration Committee ("NRC") administers the ESOS 2013 – A and the ESAR Scheme 2021 (collectively referred to as "Schemes"). The Scheme are compliant with Section 62 of the Act and the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SEBI SBEB Regulations"). Details of the Schemes have been provided in note no. 41 of the standalone financial statements. The disclosure containing details of options granted, number of shares allotted upon exercise of options, etc. as required under the SEBI SBEB Regulations is being uploaded on Company's website at https://www.cipla.com/investors/annual-reports.

In compliance with the requirements of the SEBI SBEB Regulations, a certificate from the secretarial auditor, confirming that the Schemes were implemented in accordance with the SEBI SBEB Regulations and as per the shareholders resolution, is uploaded on the website of the Company at https://www.cipla.com/investors/annual-reports. The certificate will also be available for electronic inspection by the members during the AGM of the Company.

Human Resources

Information required under Section 197(12) of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 has been provided in Annexure IV to this report. Information required under Section 197(12) of the Act read with rule 5(2) and rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in a separate exhibit forming part of this report and is available on the website of the Company at https://www.cipla.com/investors/annual-reports.

Particulars of Loans, Guarantees and Investments

Particulars of loans, guarantees and investments under Section 186 of the Act have been provided in note no. 43 to the standalone financial statements.

Annual Return

In compliance with the provisions of Section 92(3) read with Section 134(3)(a) of the Act, the Annual return of the Company i.e. form MGT-7 for FY 2024-25 has been uploaded on the website of the Company at https://www.cipla.com/investors/annual-reports.

Vigil Mechanism

The Company has a Whistle Blower Policy, which lays down the process to convey genuine concerns and seek resolution towards the same without fear of retaliation. A detailed update on the functioning of the Whistle Blower Policy, status of complaints and weblink of the Policy has been provided in the Report on Corporate Governance, on page no. 214.

Prevention of Sexual Harassment of Women at Workplace

The Company is committed to provide a safe and conducive work environment to all its employees and associates. The Company's policy on Prevention of Sexual Harassment at Workplace, is available on the website at https://www.cipla.com/sites/default/files/1558508425_POSH-%20Cipla.pdf.

All employees, consultants, trainees, volunteers, third parties and/ or visitors at all business units or functions of the Company, its subsidiaries or group companies, are covered by the said policy. The organisation regularly conducts comprehensive workshops and awareness programs to prevent and address sexual harassment.

In compliance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company had constituted an Internal Complaints Committee and was fully compliant of the Committee composition requirements. The complaints pertaining to sexual harassment were periodically reviewed by the Audit Committee who ensure that the complaints are appropriately and objectively addressed.

Details of complaints received/disposed during FY 2024-25 have been provided in the Report on Corporate Governance on page no. 218.

Related Party Transactions

A detailed note on procedure adopted by the Company in dealing with transactions with related parties has been provided in the Report on Corporate Governance on page no. 214.

All contracts, arrangements and transactions entered by the Company with related parties during FY 2024-25 were in the ordinary course of business and on an arm's length basis.

During the year, the Company did not enter any transaction, contract or arrangement with related parties, that could be considered material in accordance with the SEBI Listing Regulations and the Company's Policy on Related Party Transactions ("RPT Policy"). Accordingly, the disclosure of related party transactions in Form AOC-2 is not applicable. Details of the related party transactions as per IND AS24 have been provided in note no. 40 of the standalone financial statements on page no. 294 and in note no. 48 of the consolidated financial statements on page no. 405.

The policy was amended during the year to align the same with the the statutory requirements. The updated RPT policy of the Company is available on the Company's website at https://www.cipla.com/sites/default/files/pdf-2025-03/Policy-on-Related-Party-Transaction-clean.pdf.

Internal Financial Controls and their adequacy

The Company has in place an adequate system of internal controls, policies and procedures for ensuring orderly and efficient conduct of the business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial disclosures.

The current system of internal financial controls is aligned with the statutory requirements and is in line with the globally accepted risk-based framework issued by the Committee Of Sponsoring Organisations ('COSO') of the Treadway Commission. The internal financial controls with respect to the financial statements are adequate and operating effectively.

Effectiveness of internal financial controls is ensured through management reviews, control self-assessment and independent testing by the Internal Audit Team.

The Audit Committee reviewed the internal financial controls that ensure that the Company's accounts were properly maintained and that the transactions were recorded in the books of accounts in accordance with the applicable accounting standards, laws and statutes. The Statutory and Internal auditors have confirmed that there was no internal control weakness during FY 2024-25. Internal control and its adequacy have been discussed in detail in the Management Discussion and Analysis and in the section of Audit Committee Chair report under Report on Corporate Governance.

Risk Management

The Investment and Risk Management Committee ('IRMC') of the Board oversees the Enterprise Risk Management ('ERM') process. An update on ERM is presented and deliberated upon in the IRMC meetings on a quarterly basis and periodically at the Board level at least once in a year. The Audit Committee has an additional oversight in the area of financial risks and controls. The major risks identified by the businesses and functions are systematically addressed through mitigating actions on an ongoing basis. Further details have been provided in a separate section on ERM on page no. 54.

Board Evaluation

A detailed disclosure on board evaluation including criteria, performance and outcome have been provided in the Report on Corporate Governance on page no. 196.

Subsidiaries, Associates and Joint Ventures

The Company had 39 subsidiaries and 10 associates as on 31st March, 2025. Changes during the year were as follows:

- Cipla Philippines Inc., wholly owned step-down subsidiary of the Company in Philippines vide order dated 4th July, 2024 was dissolved retrospectively w.e.f. 31st March, 2024.
- Cipla Dibcare (Pty) Limited, wholly owned step-down subsidiary of the Company in South Africa was dissolved w.e.f. 26th June, 2024.
- Cipla (EU) Limited purchased additional 6.9% stake from Xidi (the other JV partner) in Cipla (Jiangsu) Pharmaceuticals Co., Limited, increasing the stake to 100% w.e.f. 25th October, 2024 and became a wholly owned step-down subsidiary of the Company.

Details of these subsidiaries and associates are set out on page no. 325. Pursuant to Section 129(3) of the Act read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing salient features of the financial statements of the subsidiary and associate companies in Form AOC-1 has been presented on page no. 415. The statement also provides details of the performance and the financial position of each of the subsidiaries and associates. The consolidated financial statements presented in this annual report include financial results of the subsidiary and associate companies.

Copies of the financial statements of the subsidiary companies is available on the website of the Company in the investor section and can be accessed by using the link www.cipla.com.

Nomination, Remuneration and Board Diversity Policy

The Company has in place a Nomination and Remuneration and Board Diversity Policy ('NRC Policy') which inter-alia provides for process w.r.t. selection, appointment and remuneration of directors, key managerial personnel and senior management employees including other matters as provided under Section 178(3) of the Act.

Following are the salient features of the NRC Policy:

- to lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (executive and non-executive including independent directors), Key Managerial Personnel and persons who may be appointed in senior management positions.
- to provide framework for remuneration of the Directors, Key Managerial Personnel and Senior Management Personnel in alignment with the Company's business strategies, values, key priorities and goals.

- to provide for rewards directly linked to the effort, performance, dedication and achievement of the Company's targets by the employees.
- to lay down approach for Board diversity.

The Policy is available is available on the website of the Company in the investor section and can be accessed by using the link https://www.cipla.com/sites/default/files/2025-02/Nomination-Remuneration-and-Board-Diversity-policy.pdf

Directors and Key Managerial Personnel and Board meetings

During the year under review, the Company's Board underwent the following changes:

Dr Balram Bhargava (DIN: 10479707), Ms Sharmila Paranjpe (DIN: 002328770) and Ms Maya Hari (DIN: 01123969) were appointed as Independent Directors of the Company for a period of five years

Mr Abhijit Joshi (DIN: 07115673) and Mr Kamil Hamied (DIN: 00024292) were appointed as Non-Executive Directors of the Company liable to retire by rotation.

Upon completion of term as independent director, Mr Adil Zainulbhai (DIN: 06646490), in light of significant changes in the board composition and to ensure continuity and benefit of institutionalised learning, he was requested to continue as Non- Executive Director, liable to retire by rotation.

Upon completion of term as independent directors Mr Ashok Sinha (DIN: 00070477) and Ms Punita Lal (DIN: 03412604) retired from the Board of the Company.

Mr M K Hamied (DIN: 00029084) - Vice Chairman, Non-Executive Director and Ms Samina Hamied (DIN: 00027923), Non-Executive Director, resigned from the Board of the Company due to health, and personal/family commitment

At the 88th AGM of the Company held on 20th August, 2024 the members approved (i) to not fill in the casual vacancy caused by the retirement of Mr S Radhakrishnan and (ii) continuation of Dr Y K Hamied as Non-Executive Director of the Company.

The Board placed on record its sincere appreciation to the outgoing directors viz. Mr M K Hamied, Ms Samina Hamied, Mr Ashok Sinha, Ms Punita Lal and Mr S Radhakrishnan for their leadership, guidance, and invaluable contributions made over the years.

In accordance with the provisions of the Act and the Articles of Association of the Company, Mr Umang Vohra, is liable to retire by rotation at the ensuing 89th AGM and being eligible, has offered himself for re-appointment. On the recommendation of the NRC, the Board of Directors recommends his re-appointment as Director, liable to retire by rotation. The said re-appointment is subject to the approval of members at the ensuing AGM.

Further details including date of appointment/ retirement/ resignation, directorship/ committee membership etc. can be found in the Report on Corporate Governance on page no. 225.

In the opinion of the Board, all directors including the directors appointed / re-appointed during the year possess requisite qualifications, experience and expertise and hold high standards of integrity. The list of key skills, expertise and core competencies of the Board has been provided in the Report on Corporate Governance on page no. 193.

As on the date of this report, the Company has the following Key Managerial Persons as per Section 2(51) and 203 of the Act:

Name of the KMP	Designation
Mr Umang Vohra	Managing Director and Global Chief Executive Officer
Mr Ashish Adukia	Global Chief Financial Officer
Mr Rajendra Chopra	Company Secretary and Compliance officer

Except Mr Umang Vohra, Mr Ashok Sinha and Mr Robert Stewart no other directors received any remuneration or sitting fees from any subsidiary of the Company during FY 2024-25.

Declaration by Independent Directors

All Independent Directors have submitted requisite declarations confirming that they (i) continue to meet the criteria of independence as prescribed under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations and are independent; and (ii) continue to comply with the Code of Conduct laid down under Schedule IV of the Act. Further details including the meetings of the independent directors, lead independent director, familirisation programme etc. is provided in the Report on Corporate Governance on page no. 197.

The Directors have further confirmed that they are not debarred from holding the office of director under any SEBI order or under the order of any such authority.

Board Committees and number of meetings of the Board and Board Committees

As on the date of this report the Board has the following committees:

i) Audit Committee

ii) Nomination and Remuneration Committee

iii) Stakeholders Relationship Committee

iv) Corporate Social Responsibility Committee

v) Investment and Risk Management Committee

vi) Operations and Administrative Committee

All the recommendations made by the Board Committees, including the Audit Committee, were accepted by the Board.

Details of the meetings of the Board and the Board Committees have been provided in the Report on Corporate Governance on page no. 227.

Statutory Auditor and their reports

M/s Walker Chandiok & Co LLP, Chartered Accountants, (Firm Registration No 001076N/ N500013) was re-appointed as the Statutory Auditors of the Company at the 85th AGM held on 25th August, 2021, to hold the office till the conclusion of the 90th AGM of the Company to be held in the year 2026. Accordingly, M/s Walker Chandiok & Co LLP would be completing their term as auditors upon conclusion of 90th AGM of the Company.

The Statutory Auditors' Report for the standalone and consolidated financial statements does not contain any qualification, reservation, adverse remarks or observation and has been presented separately on page no. 231 and 317 respectively.

Based on the recommendation of the Audit Committee, the Board at its meeting held on 13th May, 2025 recommended the appointment of M/s B S R & Co. LLP, Chartered Accountants (firm registration no. 101248W/W-1 00022) as the Statutory Auditor of the Company for the period of five consecutive years commencing from the conclusion of 90th AGM till the conclusion of 95th AGM.

Their appointment will be proposed in the 2026 AGM Brief profile of the statutory auditors is available on the website of the Company at www.cipla.com/sites/default/files SignedIntimationforAuditorsappointmentSigned_0.pdf

Secretarial Auditor and their reports

M/s BNP & Associates ('BNP'), Company Secretaries, Secretarial Auditors submitted the Secretarial Auditors Report for the financial ended 31st March, 2025 which is annexed as Annexure V to this report.

In compliance with Regulation 24A of the SEBI Listing Regulations, the Annual Secretarial Compliance Report issued by the Secretarial Auditor was submitted to the Stock Exchanges within the statutory timelines.

The Secretarial Audit Report and the Annual Secretarial Compliance Report did not contain any qualification, reservation, adverse remarks or observation.

In compliance with the provisions of the SEBI Listing Regulations, on the recommendation of the Audit Committee, the Board of Directors recommended the appointment of M/s BNP & Associates ('BNP') (Firm Registration No. P2014MH037400) as the Secretarial Auditor of the Company for a term of five (5) consecutive years commencing from the conclusion of 89th AGM till the conclusion of 94th AGM. The proposal forms part of the 89th AGM notice.

M/s BNP & Associates had confirmed their eligibility and independence and had also expressed their willingness to accept the appointment upon approval. Brief profile of the Secretarial Auditors is available on the website of the Company at www.cipla.com/sites/default/files/SignedIntimationforAuditorsappointmentSigned_0.pdf

Cost Auditor and Cost Audit Report

Based on the recommendation of Audit Committee, the Board appointed M/s Joshi Apte & Associates – Cost Accountants (Firm Registration No. 000240), as the Cost Auditor to conduct the audit of the Company's cost records for the financial year ended 31st March, 2025. The Cost Auditor will submit his report for FY 2024-25 by the due date.

The Cost Audit Report, for FY 2023-24, was filed with the Central Government within the statutory timelines. The Company maintains the cost records in compliance with provisions of Section 148(1) of the Act.

Based on the recommendation of the Audit Committee, the Board at its meeting held on 13th May, 2025 had approved the appointment of M/s Joshi Apte & Associates – Cost Accountants (Firm Registration No. 000240), as the Cost Auditor to conduct the cost audit for financial year ending 31st March, 2026.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, since the remuneration to the Cost Auditor for auditing the cost records for FY 2025-26 is required to be ratified by the members, the Board of Directors recommends the same for ratification at the ensuing AGM. The proposal forms part of the 89th AGM notice.

Brief profile of the Cost Auditors is available on the website of the Company at www.cipla.com/sites/default/files/SignedIntimationforAuditorsappointmentSigned_0.pdf

During the year under review, the Statutory, Secretarial and Cost Auditors did not report any instance of fraud committed in the Company by its officers or employees under Section 143(12) of the Act, the details of which need to be mentioned in the Board's report.

Other Disclosures

During the financial year under review:

- There was no amount proposed to be transferred to the Reserves;
- There were no change made in the nature of business of the Company;
- The Company has complied with the applicable Secretarial Standards, i.e., SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively;
- There was no instance wherein the Company failed to implement any corporate action within the statutory time limit;
- The Company did not accept any deposit within the meaning of Sections 73 and 74 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014 and accordingly no amount on account of principal or interest on public deposits was outstanding as on 31st March, 2025;
- The Company has not issued shares with differential voting rights and sweat equity shares during the year under review;
- There were no significant or material orders passed by the regulators or courts or tribunals which could impact the going concern status of the Company and its future operations;
- There were no material changes and commitments which occurred after the close of the year till the date of this report, which may affect the financial position of the Company; and
- There are no amounts due and outstanding to be credited to Investor Education and Protection Fund as on 31st March, 2025.

Acknowledgements

We wish to place on record our appreciation to the Government of various countries where the Company has its operations. We thank the Ministry of Chemicals and Fertilisers, India; Central Government; State Government and other regulatory bodies / authorities; banks; business partners; members; medical practitioners and other stakeholders for the assistance, cooperation and encouragement extended to the Company. We would also like to place on record our deep sense of appreciation to the employees for their contribution and services.

On behalf of the Board of Directors

Y K Hamied
Chairman
DIN: 00029049

Date: 13th May, 2025
Place: Spain

Annexure I

Annual report on Corporate Social Responsibility ('CSR') activities pursuant to Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time

1. Brief outline on CSR Policy of the Company

'Caring for Life' has been at the forefront of the Company's business philosophy and remains the principal purpose of doing business. This philosophy is seamlessly integrated into the Company's people, products and processes and is the foundation and underlying objective of the Corporate Social Responsibility Policy ('CSR Policy'). We strive to create a healthier world and enrich the lives of all our stakeholders and community at large through our CSR initiatives. Some of these initiatives were put in place long before the CSR law came into effect. The Company's CSR initiatives and related projects are undertaken directly or through Cipla Foundation, the principal implementation agency and their implementing partners. Our initiatives are compliant of the CSR requirements under Section 135 of the Companies Act, 2013 ('Act').

The CSR Policy covers the following:

- Guiding principles for selection, implementation and monitoring of CSR activities as well as formulation of the Annual Action Plan.
- Mode of implementation of CSR activities of the Company.
- Key focus areas for CSR activities include:
  - i. Health
  - ii. Education
  - iii. Skilling
  - iv. Environmental sustainability
  - v. Contribution to government funds for socio economic development
  - vi. Research and development
  - vii. Rural development projects
  - viii. Disaster management
  - ix. Other activity prescribed under Schedule VII of the Act
- Process for approval of CSR activities.
- Monitoring mechanism.
- Responsibilities of the implementation agencies.

2. Composition of CSR Committee

Sl.No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Dr Balram Bhargava (designated as Chairman w.e.f. 30th October, 2024)	Chairman, Independent	4	4
2	Mr M K Hamied (resigned w.e.f. close of business hours of 29th October, 2024)	Vice Chairman - Non-Executive	4	2

Sl.No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
3	Ms Sharmila Paranjpe (appointed w.e.f. 3rd September, 2024)	Independent	4	2
4	Ms Punita Lal (retired w.e.f. 13th November, 2024)	Independent	4	1
5	Mr Adil Zainulbhai[1]	Non-Executive	4	1
6	Mr S Radhakrishnan[2]	Non-Executive	4	2
7	Mr Umang Vohra	Managing Director and Global Chief Executive Officer	4	4

[1] Retired as Independent Director w.e.f. close of business hours of 2nd September, 2024 and appointed as Non-Executive Director and member of CSR Committee w.e.f. 3rd September, 2024

[2] Retired w.e.f. conclusion of 88th AGM held on 20th August, 2024

3. Web-link(s) where composition of CSR Committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company

- CSR Committee composition: https://www.cipla.com/about-us/board-directors/committees-board
- CSR Policy: https://www.cipla.com/sites/default/files/2023-05/Corporate-Social-Responsibility-Policy.pdf
- CSR projects: https://www.cipla.com/sites/default/files/AAP-FY-2024-6%20May-2025.pdf

4. Executive summary along with web-link(s) of Impact Assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8, if applicable

With the prime purpose of 'Caring for Life', Cipla Limited through its philanthropy arm, i.e., Cipla Foundation continues its passionate journey of social change in partnership with various implementation patners. All CSR activities are undertaken directly by the Company or through Cipla Foundation. Cipla Foundation further collaborates with various credible institutions, NGOs, government agencies to enhance the outreach of its CSR initiatives. HelpAge India, Tata Memorial Centre, Agastya International Foundation, CanSupport, BAIF and MYRADA are few of the implementation partners with whom the Company and Cipla Foundation collaborated across various geographies including Maharashtra, Madhya Pradesh, Karnataka, Goa, Sikkim, Himachal Pradesh, etc., to name a few.

As mandated by the CSR Rules, Cipla is obligated to assess the impact of its CSR projects that were implemented in FY 2022-23 and completed over a year ago. For the purpose of the impact study, OECD DAC Evaluation Criteria was used for assessing the impact of implemeted CSR projects. The framework has defined six (6) evaluation criteria, i.e., Relevance, Coherence, Effectiveness, Efficiency, Impact and Sustainability. Executive summary on the impact assessment report and detailed impact assessment report for FY 2022-23 can be accessed at https://www.cipla.com/investors/annual-reports

The implemented projects are also aligned with the following United Nations Sustainable Development Goals:

The programmes, as evaluated through impact assessments, demonstrated the following key impacts:

Promoting healthcare including preventive healthcare

Palliation Projects

- 50,000+ patient consultations, including children and elderly patients.
- 36,000+ caregivers supported through counselling and training.
- 23,500+ follow-ups (via phone and home visits) ensured continuity of care.

Respiratory care program

- 2,000+ patient consultations focusing on improving endurance, lung function, and symptom management.
- Two peer-reviewed research publications generated contributing to pulmonary rehabilitation and nutrition in chronic respiratory disease.

Patient support / Medical assistance

- 5,400+ minor thalassaemia screenings conducted helping identify carriers and providing genetic counselling.
- 1,900+ leuco-depleted blood transfusions facilitated.
- 1,400+ Nucleic Acid Testing (NAT) screenings conducted to ensure safe blood transfusions.
- 1,000+ patients received financial assistance.
- 70+ Bone Marrow Transplants (BMT) received financial assistance.

Strengthening health infrastructures

- 1,32,000+ healthcare workers trained through mobile units and partner hospitals strengthening medical systems.
- 32 BiPAP machines were distributed to hospitals in underserved areas to support patients with Spinal Muscular Atrophy (SMA) patients.
- 6 prefabricated portable cabins installed at primary healthcare sub-centres in multiple villages to enhance healthcare infrastructure.

Community health/ Doorstep health/ COVID -19 response

- 1,50,000+ medical consultations conducted by Mobile Health Units for under-served population in rural and remote communities
- 26,000+ adolescents educated on tobacco awareness and overall wellbeing.
- 16,000+ individuals reached through COVID-19 sensitisation programmes.
- 8,000+ individuals received medical assistance ensuring essential care for those without immediate access to healthcare facilities.
- 1,400+ home visits ensured for chronic disease management and follow-ups for reducing complications among high-risk patients.
- 1,200+ awareness programmes conducted on nutrition, hygiene and sanitation.
- 1,000+ individuals linked with Ayushman Bharat ensuring financial support for continued medical care.
- 700+ health camps organised for improving early detection and intervention for various health conditions.
- 550+ children mobilised for anthropometric assessments.
- 400 women vaccinated reinforcing care under antenatal and postnatal services.
- 19 community volunteers identified and trained.
- Distribution of medical equipments worth ₹ 14.80 lacs reducing burden on hospitals leading to reduction in health care costs bridging healthcare gaps for underserved populations.
- 4 sanitation blocks constructed contributing better hygiene practices and enabling reduction in spread of preventable diseases.

Promoting special education, and employment enhancing vocation skills especially among children, women, and the differently abled and livelihood

Promoting quality education

Strengthening school infrastructure

- 180+ schools benefitted from improved infrastructure, including new classrooms, digital learning resources, science and computer labs, and sanitation facilities.

Mobile science labs

- 4,000+ students from 119 schools were engaged in practical science experiments through Mobile Science Labs fostering curiosity, problem-solving skills, and conceptual understanding.

Career awareness

- 3,900+ underprivileged students from 78 government schools in Goa participated in career counselling sessions, which provided guidance on vocational pathways, higher education options, and industry trends.

Ensuring education continuity

- 2,000+ out-of-school students successfully enrolled ensuring that vulnerable children who were affected by socio-economic hardships were reintegrated back into formal education.
- 2,000+ students including from marginalized backgrounds were brought back in schools through interventions focused on slum communities, post-pandemic recovery, and girl child education.

Scholarships

- 900+ students received merit-based awards, recognising, and encouraging academic excellence for students from government and government-aided schools.
- 200+ students and 50 teachers supported through scholarships, training and financial aid.

Digital Learning Excellence and Development (DLEAD)

- 100+ schools and 9,500+ students enabled by Digital Learning initiatives i.e. tablet based learning, pre-loaded educational content etc. improving student engagement and conceptual understanding.

Skilling and vocational training

- 25,500+ visually impaired individuals received assistance aimed at improving their education, employment, and daily living skills.
- 5,000+ nurses, 300+ doctors, 60+ lab technicians from Tier 2 and 3 cities trained in viral hepatitis containment, management, and prevention.
- 40 candidates received scholarships for specialized training in oncology and patient assistance, equipping them with skills to support critical healthcare services.
- 800 Anganwadi workers trained to support children with neurodevelopmental disabilities through early assessment interventions under Project Gyandeep.
- 700+ students trained in employability skills, workplace readiness and communication.
- 500+ trainees certified in short-term skill development programmes, including electrician training, sewing machine operation, tally accounting, hospitality, machine operations, retail, beautician courses, and PCB assembling/LED repair.
- 20 nursing students from marginalised backgrounds were supported in completing professional training and enter the healthcare workforce.

Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water

Environmental sustainability

- 2,800 saplings planted in forest areas of Daso Majra and Dhela to promote afforestation.
- Malpur Pond near Baddi was rejuvenated improving local water conservation and benefitting surrounding communities.

Disaster management, including relief, rehabilitation and reconstruction activities

Disaster management and ecosystem led projects

- 5,700+ beneficiaries across Assam and Kerala supported, including 1,380 families and 279 patients were provided immediate relief in the form of food security, health care access and hygiene support in response to devastating floods.
- 139 cancer patients received nutritional support and LPG provisions, ensuring continuity of care despite power outages.
- 21,000 meals distributed over 30 days to address food insecurity in disaster-affected areas.
- Strengthened disaster response capabilities through multi-stakeholder collaboration, collaborating with local volunteers and district authorities for efficient aid distribution.

5. (a) Average net profit of the Company as per sub-section (5) of section 135

₹ 39,78,55,11,023.10

(b) Two percent of average net profit of the Company as per sub-section (5) of section 135

₹ 79,57,10,220.46

(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years

₹ 48,56,011.00

(d) Amount required to be set-off for the financial year, if any

₹ 68,01,079.52

(e) Total CSR obligation for the financial year [(b)+(c)-(d)]

₹ 79,37,65,151.94

6. (a) Amount spent on CSR projects (both ongoing project and other than ongoing project)

₹ 79,65,63,711.63

(b) Amount spent in Administrative Overheads

NIL

(c) Amount spent on Impact Assessment, if applicable

₹ 41,30,000.00

(d) Total amount spent for the financial year [(a)+(b)+(c)]

₹ 80,06,93,711.63

(e) CSR amount spent or unspent for the financial year

Total amount spent for the financial year (in ₹)	Amount unspent (in ₹)				
	Total amount transferred to unspent CSR account as per subsection (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		
	Amount	Date of transfer.	Name of the Fund	Amount	Date of transfer
₹ 75,32,05,341.63	₹ 4,74,88,370.00*	29th April, 2025	NA	NA	NA

* Unspent CSR amount for ongoing project

(f) Excess amount for set-off, if any

Sr. No.	Particulars	Amount (in ₹)
(1)	(2)	(3)
(i)	Two percent of average net profit of the Company as per sub-section (5) of section 135	79,57,10,220.46
(ii)	Total CSR Obligation for the financial year (Refer Note 1)	79,37,65,151.94
(iii)	Total amount spent for the financial year (Refer Note 2)	80,06,93,711.63
(iv)	Excess amount spent for the financial year [(iii)-(ii)]	69,28,559.17
(v)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Refer Note 2
(vi)	Amount available for set off in succeeding financial years [(iii)-(ii)]	69,28,559.69

Note 1: *This point is not part of the statutory format and has been voluntarily added to represent the correct calculation on excess amount available for set-off in sr. no. (iv) above. This amount reflects the total CSR obligation after adding the surplus amount and adjusting the set-off amount as provided in point 5(e).*

Note 2: *Since the total amount spent for the financial year in point 6(f)(iii) above is inclusive of surplus amount of ₹ 48,56,011.00, accordingly this amount has not been separately presented under point 6(f)(v). Further, this amount also includes unspent amount of ₹ 4,74,88,370.00 transferred to unspent CSR account.*

7. Details of unspent CSR amount for the preceding three financial years

Nil

8. Whether any capital assets have been created or acquired through CSR amount spent in the financial year

● Yes ○ No

If Yes, enter the number of capital assets created/ acquired: 158

Furnish the details relating to such asset(s) so created or acquired through CSR amount spent in the financial year

The details of capital assets are provided in a separate exhibit forming part of this report and is available on the website of the Company at https://www.cipla.com/investors/annual-reports

9. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per subsection (5) of section 135

Not applicable

Balram Bhargava
Chairman – CSR Committee
DIN: 10479707
Place: Delhi

Umang Vohra
Managing Director and Global Chief Executive Officer
DIN: 02296740
Place: Mumbai

Date: 13th May, 2025

Annexure II

Certificate on Compliance with the Corporate Governance Requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,
The Members of,
Cipla Limited

We have examined all relevant records of **Cipla Limited having CIN: L24239MH1935PLC002380** (hereinafter referred to as "the Company") for the purpose of certifying compliance of the disclosure requirements and corporate governance norms as specified for the listed companies under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and Schedule V of Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the financial year ended 31st March 2025. We have obtained all the information and explanations to the best of our knowledge and belief, which were necessary for the purpose of this certification.

We state that the compliance of conditions of corporate governance is the responsibility of the management, and our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of the corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of corporate governance as specified for a listed company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **BNP & Associates**
Company Secretaries
[Firm Regn. No. P2014MH037400
PR No. 6316/2024

Avinash Bagul
Partner
FCS No. 5578
CP No. 19862
UDIN: F005578G000327009

Date: 13th May, 2025
Place: Mumbai

Annexure III

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The information required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014, for the year ended 31st March 2025 is given below and forms part of the Board's Report.

A. Conservation of Energy

The steps taken or impacted on conservation of energy

The Company is making continuous efforts on ongoing basis to conserve the energy by adopting innovative measures to reduce wastage and optimize consumption. Some of the Specific measures undertaken are:

I. Steps taken by the company for utilising alternate sources of energy:

- As of 31st March 2025, our operational capacity includes 55 MWp of captive solar power open access, 2.7 MVA of captive wind power open access and 10.4 MWp of solar rooftop installations at multiple sites across India. These initiatives enabled us to procure a total of 95,310 MWh of renewable electricity during financial year ended 31st March, 2025.
- Our captive solar plant in Tuljapur, Maharashtra , with a capacity of 46 MWp, contributed to fulfilling 61% of the electricity needs for our manufacturing facilities at Kurkumbh and Patalganga, as well as our R&D center in Vikhroli, Mumbai.
- Our captive plant 9 MWp solar and 2.7 MVA wind project in Jagalur Karnataka, added with third-party solar and wind power sourcing, enabled us to cover 96% of the electricity requirements for our manufacturing units in Virgonagar and Bommasandra, Karnataka.

II. Steps taken on conservation of energy (based on plant wise location):

Kurkumbh

- We have installed high energy efficient pumps/motors resulting in energy savings of approximately 293 MWh.
- We have installed a Variable Frequency Drive ('VFD') system for brine chiller which resulted in energy savings of approximately 302 MWh.
- We undertook compressor operation optimization which resulted in energy savings of approximately 397 MWh.

Patalganga

- Optimizing pump operations led to energy savings of roughly 73 MWh.

Bommasandra

- By optimizing Air Handling Unit (AHU)/ Air Conditioning Disconnect (ACD)/ Variable Speed (VS) operations, approximately 101 MWh of energy savings were achieved.

Virgonagar

- Improved compressor efficiency led to an energy reduction of roughly 190 MWh.

Goa-I

- By installing a state-of-the-art magnetic bearing chiller, we successfully achieved energy savings of approximately 317 MWh. This advanced technology not only enhanced efficiency but also contributed significantly to reducing overall energy consumption.
- We optimized the operations of the chiller system, ensuring its functionality was fine-tuned to achieve maximum performance. This careful process resulted in energy savings of approximately 250 MWh.
- Through diligent efforts in optimizing pump operations, we were able to reduce energy usage by around 257 MWh.

Goa-II

- Installing a magnetic bearing chiller resulted in significant energy savings of approximately 494 MWh, showcasing the efficiency of advanced technology.

Indore

- By installing high energy-efficient pumps and motors, we achieved energy savings of approximately 350 MWh.
- The installation of a magnetic bearing chiller resulted in substantial energy savings of around 224 MWh.

Sikkim

- Installing high energy-efficient pumps and motors resulted in energy savings of approximately 343 MWh.

- The installation of electronically commutated (EC) blowers led to substantial energy savings of around 622 MWh.

Baddi

- Optimizing pump operations resulted in an energy saving of approximately 133 MWh, showcasing the effectiveness of refined system management in reducing power consumption.

- The installation of electronically commutated (EC) blowers, contributed to an energy reduction of about 71 MWh, emphasizing the impact of adopting advanced, energy-efficient technologies.

III. During the year, Cipla has made a capital investment of ₹ 3.11 crores towards energy conservation equipment.

B. Technology Absorption

In the pursuit of innovation and sustainability, we focus on initiatives to drive process developments and efficiency. Through robust management practices, we ensure the optimization of resources, reduction of costs and adherence to environmentally conscious methodologies.

I. The efforts made towards technology absorption and the benefits derived thereon are as follows:

1. Innovations in Active Pharmaceutical Ingredient (API)

a. Impurity Synthesis and Detection

To strengthen our impurity profiling capabilities, we have installed a throughput mass-based peak preparative purification system. This instrument integrates:

- Single quadrupole mass spectrometry (MS) for precise compound identification.

- Photodiode array (PDA) and UVVis detection for comprehensive spectral analysis.

- Dual ionisation modes (ESI+ and ESI-) to detect a wide range of impurities, including non- UV active compounds.

This system allows for real-time analysis of both UV and mass spectra, enabling accurate detection and purification of trace-level impurities. It also supports flexible collection triggers—based on wavelength, mass response, or time—enhancing our ability to isolate and characterise critical compounds efficiently.

b. Cutting Edge Pre-Formulation Lab

We have launched a state-of-the-art pre-formulation lab to deepen our understanding of polymorph behavior and excipient interactions. This facility is equipped with advanced analytical tools, including:

- Malvern-3000 for particle size distribution.

- Dissolution apparatus for in-vitro release profiling.

- Karl Fischer auto titrator for moisture content analysis.

- High-performance liquid chromatography (HPLC) systems for compound quantification.

The lab focuses on:

- Characterising novel polymorphs and their stability.

- Studying interactions between excipients and active pharmaceutical ingredients (APIs).

- Generating data to support regulatory submissions, especially for bioequivalence and

- physicochemical similarity.

2. Green Chemistry Initiatives: Driving Sustainable Innovation

At Cipla, our commitment to sustainability is deeply embedded in our innovation strategy. Through targeted green chemistry initiatives, we are reducing environmental impact, enhancing operational efficiency, and ensuring regulatory compliance, while continuing to deliver high-quality pharmaceutical products. Waste Management and Safer Chemical Practices We have taken proactive steps to reduce environmental impact by replacing hazardous solvents with safer alternatives like water, isopropanol, and liquid cleaner in key processes. We ensure compliant disposal of solvent waste through certified vendors. Additionally, we have phased out the use of highly hazardous chemicals such as acetyl chloride, thionyl chloride, sulphuryl chloride, and POCl3, supported by strong regulatory justifications. These measures have improved safety, reduced environmental risks, and lowered testing and analysis costs.

a. Energy Efficiency and Equipment Optimisation

We have upgraded our laboratory infrastructure with energy-efficient equipment featuring power saving and sleep modes. Regular maintenance ensures optimal performance and prevents energy waste. By streamlining sample testing through combined and batch methods, we have reduced instrument run times and resource usage. Additionally, enhancements to our scrubber systems have lowered energy consumption, minimised environmental impact, and extended equipment lifespan.

b. Solvent Reduction and Cost Efficiency

We developed a scalable downstream purification process for an excipient that dissolves easily in both water and common solvents. This method eliminates the need for column chromatography, significantly reducing solvent usage and environmental impact.

c. Technological Enhancement

We modified our jet milling equipment to minimise agglomeration caused by static charge buildup, thereby eliminating potential safety risks. This enhancement has improved grinding efficiency, enhanced product quality, and reduced material handling losses—contributing to safer and more efficient operations.

II. The details of imported technology (imported during the last three years reckoned from the beginning of the financial year)

No expenditure has been incurred on the import of new technology during the financial years 2022-23, 2023-24 and 2024-25.

III. The expenditure incurred on research and development (standalone)

	(₹ in crores)
Capex	31.23
Opex	1,238.73
Total	**1,269.96**

The total R&D expenditure as a percentage of total revenue is around 6.77%.

C. Foreign Exchange earnings and outgo

Exports Sales were ₹ 6,330.27 crore for FY 2024-25. The Company earned ₹ 2,384.82 crore towards royalty, technical knowhow and licensing fees, and ₹ 64.05 crore for other services. During the year, the foreign exchange outgo was ₹ 2,609.25 crore and earnings in foreign exchange were ₹ 9,196.38 crore on an actual basis.

On behalf of the Board of Directors

Y K Hamied
Chairman
DIN: 00029049

Date: 13th May, 2025
Place: Spain

Annexure IV

Details pertaining to remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2024-25 and the percentage increase in remuneration of each director, Chief Financial Officer and Company Secretary during the financial year 2024-25:

Name	Designation	Ratio to median remuneration	% increase/ decrease in remuneration in FY 2024-25[iv]
Dr Y K Hamied	Non-Executive Chairman	46:1	(1.53%)
Mr M K Hamied (resigned w.e.f. close of business hours of 29th October, 2024)	Non-Executive Vice-Chairman	27:1	NA[iii]
Ms Samina Hamied[i]	Non-Executive Director	99:1	NA[iii]
Mr Umang Vohra	Managing Director and Global Chief Executive Officer	313:1	9.54%
Mr Abhijit Joshi (appointed w.e.f. 3rd September, 2024)	Non-Executive Director	27:1	NA[iii]
Mr Adil Zainulbhai[ii]	Non-Executive Director	39:1	NA[iii]
Mr Ashok Sinha (retired w.e.f. 3rd September, 2024)	Independent Director	12:1	NA[iii]
Dr Balram Bhargava (appointed w.e.f. 1st April, 2024)	Independent Director	16:1	NA[iii]
Mr Kamil Hamied (appointed w.e.f. 1st November, 2024)	Non-Executive Director	19:1	NA[iii]
Dr Mandar Vaidya	Independent Director	16:1	(3.88%)
Ms Maya Hari (appointed w.e.f. 1st November, 2024)	Independent Director	8:1	NA[iii]
Mr P R Ramesh	Independent Director	18:1	3.78%
Ms Punita Lal (retired w.e.f. 13th November, 2024)	Independent Director	16:1	NA[iii]
Mr Robert Stewart	Independent Director	19:1	(2.25%)
Mr S Radhakrishnan (retired w.e.f. conclusion of 88th AGM held on 20th August, 2024)	Non-Executive Director	30:1	NA[iii]
Ms Sharmila Paranjpe (appointed w.e.f. 1st September, 2024)	Independent Director	10:1	NA[iii]
Mr Ashish Adukia	Global Chief Financial Officer	122:1	13.93%
Mr Rajendra Chopra	Company Secretary	55:1	10.57%

i. Resigned from the position of Executive Vice Chairperson w.e.f. close of business hours of 31st March, 2024 while continuing as Non-Executive Director. Resigned as Non-Executive Director w.e.f. close of business hours of 29th October, 2024.

ii. Retired as Independent Director w.e.f. close of business hours of 2nd September, 2024 and appointed as Non-Executive Director w.e.f. 3rd September, 2024.

iii. As the remuneration paid is for part of the year, the field for "percentage increase/ decrease in remuneration in FY 2024-25" is not comparable.

iv. The decrease in remuneration for Non-Executive and Independent Directors was on account of lesser number of meetings held during the year. There was no change made in the terms of remuneration.

2. The percentage increase in the median remuneration of employees in the financial year: 10.74%.

3. Number of permanent employees on the rolls of the Company as on 31st March, 2025: 25,680.

4. For the FY 2024-25, the average annual increase in the remuneration of employees (excluding the remuneration of managerial personnel) was 9.31% and in case of managerial remuneration there was a decrease of (17.32%) mainly on account of resignation of Ms Samina Hamied as Executive Vice Chairperson.

5. It is affirmed that the remuneration is as per the Nomination, Remuneration and Board Diversity Policy of the Company.

6. In addition, Mr Umang Vohra, Mr Ashok Sinha and Mr Robert Stewart received director's remuneration/ sitting fees from the subsidiaries during the FY 2024-25. The details for which have been presented in the Report on Corporate Governance.

On behalf of the Board of Directors

Y K Hamied
Chairman
DIN: 00029049

Date: 13th May, 2025
Place: Spain

Annexure V

Secretarial Audit Report

For the financial year ended 31st March, 2025

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Cipla Limited
Cipla House Peninsula Business Park,
Ganpatrao Kadam Marg, Lower Parel,
Mumbai - 400013

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to the good corporate practices by **Cipla Limited having CIN L24239MH1935PLC002380** (hereinafter called "the Company") for the financial year ended on **31st March, 2025** (the "Audit period"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

We are issuing this report based on:

(i) Our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company;

(ii) The certificates confirming compliances of all applicable laws as submitted to the Board of Directors on a quarterly basis by the management;

(iii) Representations made and information provided by the Company, its officers, agents and authorised representatives during our conduct of the secretarial audit;

(iv) Compliance related action taken by the Company after 31st March, 2025 but before the date of issuance of this report to the Company for placement of the same at its Board Meeting.

We hereby report that, in our opinion, during the Audit period covering the financial year ended on 31st March, 2025, the Company has complied with the statutory provisions listed herein below. The Company has adequate board processes and compliance mechanisms and our views are limited to the reporting made hereinafter:

1. COMPLIANCE WITH SPECIFIC STATUTORY PROVISIONS

We further report that:

1.1 We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the audit period according to the applicable provisions/clauses of:

(i) The Companies Act, 2013 ("the Act") and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;

(iii) The Depositories Act, 1996 and the regulations and byelaws framed thereunder;

(iv) The Foreign Exchange Management Act, 1999 ("FEMA") and the rules and regulations made thereunder to extent of Foreign Direct Investment and Overseas Direct Investment;

(v) The following regulations prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):

a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulation");

b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

c) *The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ("PIT Regulation");

d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

e) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;

f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993.

*The Company has also maintained the Structured Digital Database ("SDD") pursuant to the requirements of regulation 3(5) and 3(6) of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

(vi) The Secretarial Standards 1 & 2 ("Standards") issued by the Institute of Company Secretaries of India and notified by the Central Government under section 118 (10) of the Act.

(vii) The following specific acts, laws, rules and regulations applicable to the Company, based on the nature of its business activities:

a) The Drugs and Cosmetics Act, 1940;

b) The Narcotic Drugs and Psychotropic Substances Act, 1985; and

c) The Drugs Price Control Order, 2013.

1.2 We report that during the Audit period, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

1.3 We are informed that, during the Audit period, there were no transactions undertaken by the Company which required compliance of the following Acts, Rules and Regulations:

(i) The Foreign Exchange Management Act, 1999 to the extent of the rules and regulations made for External Commercial Borrowings;

(ii) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018;

(iii) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;

(iv) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; and

(v) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021.

2. BOARD PROCESSES:

We further report that:

2.1 The Board of Directors ("Board") of the Company as on 31st March, 2025 was duly constituted with the proper balance of executive directors, non-executive directors and independent directors, as stated below:

(i) One Executive Director –

- Mr Umang Vohra (DIN: 02296740).

(ii) Four Non-Executive, Non-Independent Directors –

- Dr Y K Hamied (DIN: 00029049),
- Mr Kamil Hamied (DIN: 00024292),
- Mr Abhijit Jagdish Joshi (DIN: 07115673),
- Mr Adil Zainulbhai (DIN: 06646490).

(iii) Six Independent Directors including two-woman Independent Director –

- Dr Balram Bhargava (DIN: 10479707),
- Dr Mandar Vaidya (DIN: 09690327),
- Ms Maya Hari (DIN: 01123969),
- Mr P R Ramesh (DIN: 01915274),
- Mr Robert Stewart (DIN: 03515778),
- Ms Sharmila Nitin Paranjpe (DIN: 002328770).

2.2 The changes in the composition of the Board and the Key Managerial Personnel ('KMP'), during the Audit period, were carried out in compliance with the provisions of the Act and the Listing Regulations:

(a) Upon completion of 2 (two) consecutive terms as Independent Director the following board members retired from the Company:

- Mr Adil Zainulbhai (DIN: 06646490) with effect from the close of business hours on 2nd September, 2024.
- Mr Ashok Sinha (DIN: 00070477) with effect from the close of business hours on 2nd September, 2024.
- Ms Punita Lal (DIN: 03412604) with effect from the close of business hours on 12th November, 2024.

(b) Ms Samina Hamied (DIN: 00027923) resigned as Non-Executive Director of the Company with effect from the close of business hours on 29th October, 2024.

(c) Mr M K Hamied (DIN: 00029084) resigned as Vice Chairman and Non-Executive Director of the Company with effect from the close of business hours on 29th October, 2024.

(d) Dr Balram Bhargava (DIN: 10479707) was appointed as Independent Director of the Company for a period of 5 (five) years effective from 1st April, 2024 to 31st March, 2029 (both days inclusive) by members of the Company by way of Postal ballot on 16th May, 2024

(e) At the 88th AGM held on 20th August, 2024:

- Dr Y K Hamied (DIN: 00029049) was re-appointed in compliance with Regulation 17(1D) of the SEBI Listing Regulations, as Non-Executive Non-Independent Director, not liable to retire by rotation;
- Mr S Radhakrishnan (DIN: 02313000), who was liable to retire by rotation conveyed his desire not to seek reappointment and retired on conclusion of the meeting.

(f) The members of the Company by way of Postal ballot held on 13th October, 2024 approved the appointment of:

- Ms Maya Hari (DIN: 01123969) as Independent Director for a term of 5 (five) years effective from 1st November, 2024 to 31st October, 2029 (both days inclusive).
- Ms Sharmila Paranjpe (DIN: 02328770) as Independent Director for a term of 5 (five) years effective from 1st September, 2024 to 31st August, 2029 (both days inclusive).
- Mr Abhijit Joshi (DIN: 07115673), as Non-Executive Director liable to retire by rotation, with effect from 3rd September, 2024.
- Mr Adil Zainulbhai (DIN: 06646490), as Non-Executive Director, liable to retire by rotation, effective from 3rd September, 2024.
- Mr Kamil Hamied (DIN: 00024292), as Non-Executive Director liable to retire by rotation, with effect from 1st November, 2024.

2.3 The Board committees reviewed compliance status of its charter and confirmed it to be compliant.

2.4 Adequate notices for the meetings of the Board and Board Committees constituted by the Board were given to all the directors and members of the Committee. The agenda and detailed notes on agenda were sent at least seven days in advance. In case of circulation of agenda or detailed notes on agenda at shorter notice, due consent of the Board/ respective Committees was taken. The Company has a system in place where the directors can seek further information and clarifications on the agenda items before the meeting to ensure their meaningful participation at the meetings.

2.5 All the decisions at Board and Board Committee meetings were approved unanimously. All the recommendations made by the board committees, including the Audit Committee, were accepted by the Board.

There was no instance of any dissent raised by any board/ committee member in any of the business matters approved at such meetings.

3. MANAGEMENT RESPONSIBILITY:

3.1 Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit of these records.

3.2 We have followed the audit practices and the processes as are considered appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification has been done to ensure that correct facts are reflected in the secretarial records and compliance procedures.

3.3 We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

3.4 We have obtained the representations from the management on the compliance of laws, rules, regulations and happening of certain specific events, wherever required.

3.5 This report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

4. COMPLIANCE MECHANISM

4.1 We further report that the internal compliance mechanism and processes in the Company are adequate and commensurate with its size and operations, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

4.2 We further report that, during the Audit period:

(i) All the business activities undertaken by the Company were authorised under Clause III (i.e. Objects Clause) of the Memorandum of Association of the Company;

(ii) The Company had filed all applicable forms, returns, disclosures etc. pursuant to the provision of the applicable laws;

(iii) All statutory registers and records as required to be maintained under the applicable laws were duly maintained and found to be in order;

(iv) All meetings of shareholders, board of directors and committees of the Company have been duly and validly conducted and the minutes and necessary records have been properly maintained;

(v) The remuneration paid to the managerial personnel was within the limits as approved by the shareholders and well within the permissible limits under the Act;

(vi) The Company had not accepted any public deposits under the Act read with the Companies (Acceptance of Deposits) Rules, 2014;

(vii) The Company had not advanced any loans and/or given any security or guarantee to any Director(s) of the Company or any other person in whom any of the Directors were interested;

(viii) The Company had not availed any secured loan and did not create any charge on the asset(s) of the Company;

(ix) All the investments made by the Company within or outside India were in compliance with the Act, the Listing Regulations and the Foreign Exchange Management Act, 1999 and the other applicable rules and regulations;

(x) The Company had not entered into any material transaction with any related party that required approval of the shareholders under the provisions of the Act or the Listing Regulations. All transactions with related parties were approved by the by the Independent Directors who are members of the Audit Committee and were compliant with the provisions of the Act and the Listing Regulation;

(xi) The Company has spent two per cent of the average net profit of the company made during the three immediately preceding financial year on the Corporate Social Responsibility ("CSR") initiatives as stated under Schedule VII and was compliant with the provisions of Section 135 of the Act accordingly, necessary reporting will be made in the Directors Report. Further, there was an unspent amount of ₹ 4,74,88,370/- relating to an ongoing project which was required to be transferred to the Unspent CSR Account during the audit period, the said amount was transferred as on April 29, 2025.

(xii) The Nomination and Remuneration Committee ("NRC") had engaged an independent external agency that had carried out an annual evaluation of the performance of the Board committees as well as the performance of each individual director through an online tool. The Chairman and the Managing Director were also evaluated on certain additional parameters. The outcome of performance evaluation was discussed at the respective Board/ Committee meetings and by the independent directors in their meeting.

(xiii) In compliance with the provisions of Section 125 of the Act, the Company had transferred all unpaid/unclaimed dividends for the financial year ended 31st March, 2017, which remained unclaimed/unpaid for seven (7) years, to the Investors Education and Protection Fund ("IEPF").

(xiv) The Company had implemented the Employee Stock Option Scheme 2013-A ("ESOS 2013-A Scheme") and the Cipla Employee Stock Appreciation Rights Scheme, 2021 ("Cipla ESAR Scheme 2021") for grant of share-based benefits to its employees and the employees of its subsidiary companies. During the year, the Company had granted 1,22,278 stock options and 4,07,798 ESAR's under the schemes. Accordingly, during the audit period, upon exercise the Company allotted 2,50,058 equity shares to the eligible employees under the ESOS 2013-A scheme and Cipla ESAR Scheme 2021 respectively.

All grants, vestings, and exercises as well as the disclosures and statutory filings with the Central Depository Services (India) Limited and the National Securities Depository Limited ("Depositories") and the BSE Limited and the National Stock Exchange of India Limited ("Stock Exchanges") were in compliance of the applicable laws.

All the shares allotted were duly listed on the Stock Exchanges, where the shares of the Company had been listed i.e. BSE Limited and National Stock Exchange of India Limited within the prescribed timeline. The ESOS 2013-A Scheme and the Cipla ESAR Scheme 2021 of the Company were compliant of the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

(xv) We have, neither identified nor have we reported on any fraud committed under the provisions of Act or applicable laws.

4.3 We further report that during the Audit period, there was no such event occurred which had any major bearing on the Company's affairs and all the material information was intimated to the Stock Exchanges from time to time by the Company.

For **BNP & Associates**
Company Secretaries
[Firm Regn. No. P2014MH037400]
PR No. 6316/2024

Avinash Bagul
Partner
FCS: 5578/ CP No. 19862
UDIN: F005578G000326833

Date: 13th May, 2025
Place: Mumbai

*The members are requested to read this report along with our letter of even date annexed to this report as "**Annexure-A**"

Annexure A to the Secretarial Audit Report for the financial year ended 31st March, 2025

To,
The Members,
Cipla Limited
Cipla House Peninsula Business Park,
Ganpatrao Kadam Marg Lower Parel,
Mumbai – 400013

Our Secretarial Audit Report of even date is to be read along with this letter.

1. The Company's Management is responsible for maintenance of secretarial records and compliance with the provisions of corporate and other applicable laws, rules, regulations and standards. Our responsibility is to express an opinion on the secretarial records produced for our audit.

2. We have followed such audit practices and processes as we considered appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records.

3. We have considered compliance related actions taken by the Company based on independent legal /professional opinion obtained as being in compliance with law.

4. We have verified the secretarial records furnished to us on a test basis to see whether the correct facts are reflected therein. We have also examined the compliance procedures followed by the Company. We believe that the processes and practices we followed, provide a reasonable basis for our opinion.

5. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

6. We have obtained the management's representation about the compliance of laws, rules and regulations and happening of significant events, wherever required.

7. Our Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

For **BNP & Associates**
Company Secretaries
[Firm Regn. No. P2014MH037400]
PR No. 6316/2024

Avinash Bagul
Partner
FCS: 5578/ CP No. 19862
PR No. 6316/2024
UDIN: F005578G000326833

Date: 13th May, 2025
Place: Mumbai

Business Responsibility & Sustainability Report

SECTION A GENERAL DISCLOSURES

I. Details of the listed entity[1]

1.	Corporate Identity Number (CIN) of the Listed Entity:	L24239MH1935PLC002380
2.	Name of the Listed Entity:	Cipla Limited
3.	Year of incorporation:	1935
4.	Registered office address:	Cipla House, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400013
5.	Corporate address:	Cipla House, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400013
6.	E-mail:	cosecretary@cipla.com
7.	Telephone:	+91 22 4191 6000
8.	Website:	https://www.cipla.com/
9.	Financial year for which reporting is being done:	1st April, 2024 to 31st March, 2025
10.	Name of the Stock Exchange(s) where shares are listed:	a. National Stock Exchange of India Limited b. BSE Limited c. Societe De La Bourse De Luxembourg (Luxembourg Stock Exchange) for GDRs
11.	Paid-up Capital:	₹ 1,61,52,34,240
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report:	a. Name – Mr Rajendra Chopra b. Designation – Company Secretary c. Telephone Number – +91 22 4191 6000 d. Email ID – cosecretary@cipla.com
13.	Reporting boundary:	Refer on page no. 2 of this report
14.	Name of assurance provider:	DNV Business Assurance India Private Limited
15.	Type of assurance obtained:	a. Reasonable assurance for BRSR Core indicators b. Limited assurance for other selected BRSR indicators

II. Products/services[2]

16. Details of business activities (accounting for 90% of the turnover)*

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Trade	Wholesale Trading	19.73
2.	Manufacturing	Chemical and chemical products, pharmaceuticals, medicinal chemical and botanical products	64.86
3.	Support services to Organisations**	Other support services to organisations	12.77

[1]GRI 2-1
[2]GRI 2-6
*This data is specific to Cipla Limited
** This pertains to income from Royalty

17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total turnover contributed
1.	Manufacture of allopathic pharmaceutical preparations	24,232	54.62
2.	Wholesale of pharmaceutical and medical goods	51,397	43.55
3.	Manufacture of chemical substances used in the manufacture of pharmaceuticals: antibiotics, endocrine products, basic vitamins; opium derivatives; sulpha drugs; serums and plasmas; salicylic acid, its salts and esters; glycosides and vegetable alkaloids; chemically pure sugar etc.	24,231	1.83

III. Operations[3]

18. Number of locations where plants and/or operations/offices of the entity are situated:

Locations	Number of plants	Number of offices	Total
National	38	59	97
International	8	35	43

19. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	28 states and 8 union territories
International (No. of Countries)	73[4]

b. What is the contribution of exports as a percentage of the total turnover of the entity?

41.76% (standalone)

c. A brief on types of customers

Refer to page no. 101 of Relationship Capital

IV. Employees

20. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

Refer to page no. 80 of Human Capital

b. Differently abled Employees and workers:

Refer to page no. 80 of Human Capital

21. Participation/Inclusion/Representation of women

Particulars	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	11	2	18.18
Key Management Personnel	3	-	-

22. Turnover rate for permanent employees and workers

Refer page no. 90 of Human Capital

[3]GRI 2-1, GRI 2-6

[4]Represents countries/ markets where sales are more than USD 0.5 million

V. Holding, Subsidiary and Associate Companies (including joint ventures)

23. (a) Names of holding / subsidiary / associate companies / joint ventures

Details of subsidiary / associate / joint venture companies are given in Form AOC-1, on page no. 415 of this report. All the entities, wherever applicable, participate in the relevant Business Responsibility initiatives of the Company, except associate companies and joint venture companies.

VI. CSR Details

24. Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes

Standalone numbers (in crores)

- Turnover: ₹ 19,044.85
- Net worth: ₹ 32,096.51

VII. Transparency and Disclosures Compliances

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:[5]

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism	Policy Coverage	FY 2024-25			FY 2023-24		
			Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	https://www.cipla.com/sites/default/files/1530274684_Cipla---Code-of-Conduct-FC.PDF.pdf	Code of Conduct	-	-	-	-	-	-
Investors (other than Shareholders)	Not Applicable							
Shareholders	https://www.cipla.com/sites/default/files/Investor-Servicing-and-Grievance-Redrrssal-Policy.pdf	Investor Servicing and Grievance Redressal Policy	23	1		16	2	-
Employees and workers	Available on the Intranet	Employee Grievance Policy	-	-	-	-	-	-
	https://www.cipla.com/sites/default/files/1530274684_Cipla---Code-of-Conduct-FC.PDF.pdf	Code of Conduct	66	12	-	46	7	-
	https://www.cipla.com/sites/default/files/2023-07/Human-Rights-Policy.pdf	Human Rights Policy	-	-	-	-	-	-
	https://www.cipla.com/sites/default/files/1558508425_POSH-%20Cipla.pdf	Prevention of Sexual Harassment at the workplace	19	2	-	15	1	-

[5]GRI 2-24, GRI 2-25

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism	Policy Coverage	FY 2024-25			FY 2023-24		
			Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Customers	https://www.cipla.com/contact-us	Reporting on adverse/ technical events	5,260	641	-	6,179	1,111	-
	https://www.cipla.com/sites/default/files/1530274684_Cipla---Code-of-Conduct-FC.PDF.pdf	Code of Conduct	2	-	-	2	-	-
Value Chain Partners	https://www.cipla.com/contact-us	Reporting on adverse/ technical events	584	138	-	474	91	-
	https://www.cipla.com/sites/default/files/1530274684_Cipla---Code-of-Conduct-FC.PDF.pdf	Code of Conduct	6	2	-	2	-	-
Healthcare Professionals	https://www.cipla.com/contact-us	Reporting on adverse/ technical events	303	42	-	383	55	-
	https://www.cipla.com/sites/default/files/1530274684_Cipla---Code-of-Conduct-FC.PDF.pdf	Code of Conduct	2	-	-	-	-	-
Government and Regulators	https://www.cipla.com/contact-us	Reporting on adverse/ technical events	179	16	-	80	10	-
	https://www.cipla.com/sites/default/files/1530274684_Cipla---Code-of-Conduct-FC.PDF.pdf	Code of Conduct	-	-	-	-	-	-
Others	https://www.cipla.com/sites/default/files/1530274684_Cipla---Code-of-Conduct-FC.PDF.pdf	Code of Conduct	10	3	-	37	5	-

26. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

Refer to page no. 46 of Double Materiality Assessment.

SECTION B MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes[6]									
1. a. Whether your entity's policy/ policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes								
b. Has the policy been approved by the Board? (Yes/No)	Yes[7]								
c. Web Link of the Policies, if available	Policies are available on: (1) website of the Company - www.cipla.com and the weblink of the policies are also available in the Report on Corporate Governance on page no. 212 (2) Intranet portal of the Company - accessible to the employees of the Company								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes								
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes, Code of Conduct and other applicable policies extend to our value chain partners								
4. Name of the national and international codes/certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	• **Principle 1:** United Nations Sustainable Development Goals, National Guidelines on Responsible Business Conduct • **Principle 2:** ISO 9001:2015, United Nations Sustainable Development Goals, National Guidelines on Responsible Business Conduct • **Principle 3:** ISO 45001: 2018 at 38 of 46 manufacturing sites globally, United Nations Sustainable Development Goals, National Guidelines on Responsible Business Conduct • **Principle 4:** United Nations Sustainable Development Goals, National Guidelines on Responsible Business Conduct • **Principle 5:** United Nations Sustainable Development Goals, National Guidelines on Responsible Business Conduct • **Principle 6:** ISO 14001: 2015 at 38 of 46 manufacturing sites globally, ISO 50001:2018 at 26 of 46 manufacturing sites, United Nations Sustainable Development Goals, National Guidelines on Responsible Business Conduct • **Principle 7:** United Nations Sustainable Development Goals, National Guidelines on Responsible Business Conduct • **Principle 8:** United Nations Sustainable Development Goals, National Guidelines on Responsible Business Conduct • **Principle 9:** United Nations Sustainable Development Goals, National Guidelines on Responsible Business Conduct								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	The specific commitments, goals and targets are provided in the respective capitals of the Integrated Annual Report, wherever applicable								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	The performance against specific commitments, goals and targets are provided in the respective capitals of the Integrated Annual Report, wherever applicable								

[6] GRI 2-23, GRI 2-24

[7] Policies are approved by the Board, respective board committees, respective department heads, wherever applicable

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Governance, leadership and oversight									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements	Refer to MD & GCEO's Message on page no. 14								
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).[8]	Mr Umang Vohra, Managing Director and Global Chief Executive Officer (DIN: 02296740)								
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	The Investment and Risk Management Committee ("IRMC") is responsible to periodically review environmental, social and governance ("ESG")/ sustainability matters pertaining to the Company, including initiatives and reporting. The Committee composition of IRMC is as follows: 1. Mr Robert Stewart – Chairman – DIN: 03515778 2. Mr Abhijit Joshi – Member – DIN: 07115673 3. Mr Kamil Hamied – Member – DIN: 00024292 4. Mr P R Ramesh – Member – DIN: 01915274 5. Mr Umang Vohra - Member – DIN: 02296740								

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	The policies of the Company are reviewed periodically / on a need basis by department heads / Directors / Board Committees, wherever applicable.																	
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Status of compliance with all applicable statutory requirements is reviewed by the Board and the Audit Committee on a quarterly basis.																	

	P1	P2	P3	P4	P5	P6	P7	P8	P9
11 Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	• DNV Business Assurance India Private Limited has been engaged to provide assurance on Cipla's Integrated Annual Report, including the Business Responsibility & Sustainability Report for FY 2024-25. As part of the assurance process, DNV has reviewed implementation of ESG related policies at operational level. • SGGS & Associates, Practicing Company Secretaries was engaged to conduct a detailed assessment of the effectiveness of policies and practices relating to human rights. • The procedures and compliances pertaining to the working of Company's policies are also evaluated by the internal auditors of the Company from time to time.								

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated

Not Applicable

[8]GRI 2-12

SECTION C PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1

Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1. **Percentage coverage by training and awareness programmes on any of the Principles during the financial year:[9]**

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	%age of persons in respective category covered by awareness programmes
Board of Directors[10]	14	The Company conducts familiarisation programmes for its Board of Directors at regular intervals which covers topics such as ESG parameters and targets, corporate governance practices, various other industry, business and regulatory updates.	98.70
Key Managerial Personnel			100
Employees other than BoD and KMPs	4,002	The employees / workers undergo various trainings / awareness sessions such as induction training at the time of joining and leadership, policy, technical and compliance training during the course of employment.	75.95
Workers	462		34.96

2. **Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format[11]**

   (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

   Nil

3. **Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.**

   Not Applicable

4. **Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.[12]**

   Yes, the Company has established an anti-corruption and anti-bribery policy that applies to all associates, business partners (as defined in the policy) and all its subsidiaries. This policy reflects our zero-tolerance stance towards corruption and bribery and encompasses the following key components:

   - Duties of Cipla associates and business partners
   - Procedures for addressing complaints related to bribery and corruption
   - Guidance on interactions with public officials
   - Do's and Don'ts regarding entertainment, gifts and hospitality

   Additionally, the policy assists business partners and associates in reporting bribery and corruption in alignment with our Whistle-blower Policy. We conduct risk assessments regarding compliance with anti-corruption and anti-bribery laws as needed, as part of our Enterprise Risk Management activities and implement appropriate mitigation measures in response. Alongside our Code of Conduct training, all employees also receive training on anti-corruption and anti-bribery practices.

[9]GRI 2-17, GRI 2-24

[10]It includes programmes which are offered to all the Board members of Cipla Limited. For further details, please refer Familiarisation programme for Independent Directors in the 'Report on Corporate Governance'

[11]GRI 2-27

[12]GRI 205-1, GRI 205-2

The policy is available via the following weblink: https://www.cipla.com/sites/default/files/2019-06/1553587868_Anti-Bribery-and-Anti-Corruption-Policy.pdf.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:[13]

Nil

6. Details of complaints with regard to conflict of interest:

Nil

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.[14]

None

8. Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:

Particulars	FY 2024-25	FY 2023-24
Number of days of accounts payables	62	60

9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers and related parties along-with loans and advances & investments, with related parties in the following format:[15]

Parameter	Metrics	FY 2024-25	FY 2023-24
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	6.30%	6.35%
	b. Number of trading houses where purchases are made from	292	274
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	49.05%	51.22%
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	96.32%	95.54%
	b. Number of dealers / distributors to whom sales are made	16,071	10,276
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	29.95%	36.65%
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	0.11%	0.03%
	b. Sales (Sales to related parties / Total Sales)	0.0004%	0.0003%
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	61.95%	100%
	d. Investments (Investments in related parties / Total Investments made)	63.21%	86.99%

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:[16]

Refer to page no. 105 of Relationship Capital

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.[17]

Yes, the Company has in place a 'Conflict of Interest Policy' and a 'Policy on Related Party Transactions', which are applicable to our board members. Transactions with the board members or any entity in which such board members are concerned or interested are required to be approved by the Audit Committee and the Board of Directors. In such cases, the interested directors abstain themselves from the discussions at the meeting. The weblink of the above-mentioned policies are as below:

Conflict of Interest Policy- https://www.cipla.com/sites/default/files/2019-06/1554391523_1530187477_Conflict%20of%20Interest%20Policy%20-%20V1%20fc.pdf

Policy on Related Party Transactions - https://www.cipla.com/sites/default/files/2025-03/Policy-on-Related-Party-Transaction_clean.pdf

[13] GRI 205-3
[14] GRI 205-3 and 206-1
[15] GRI 2-4 and Figures for FY 2023-24 have been restated wherever necessary as per Industry Standards Note on Business Responsibility and Sustainability Report Core.
[16] GRI 2-24, GRI 2-25
[17] GRI 2-15

PRINCIPLE 2

Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

   Refer to page no. 64 of Manufactured Capital and page no. 71 of Intellectual Capital

2. a. **Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

   Yes

   b. **If yes, what percentage of inputs were sourced sustainably?**

   Cipla has implemented procedures to ensure sustainable sourcing by embedding sustainability criteria into our comprehensive supply chain framework. This integration is facilitated through our Supply Chain Management Sustainability Policy, Responsible Sourcing Policy and Supplier Code of Conduct. We conduct thorough assessments of our suppliers based on ESG parameters and organise capacity-building workshops for our key suppliers. These suppliers are selected based on criteria such as their value, volume and dependency on our operations. For more detailed information regarding the assessments undertaken during the year to identify sustainably sourced products, please refer to page no. 104 of the Relationship Capital section.

3. **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

   As a pharmaceutical company, we do not participate in the reclamation or recycling of products at the end of their lifecycle. Nonetheless, we have established comprehensive waste management protocols throughout all our manufacturing facilities and warehouses. Products that remain unsold in the market and reach the end of their lifecycle for any reason are collected by our warehouses for secure disposal through incineration

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the EPR plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

   Refer to page no. 125 of Natural Capital

Leadership Indicators

1. **Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?**

   Refer to page no. 125 of Natural Capital

2. **If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.**

   Refer to page no. 125 of Natural Capital

3. **Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).**

   Since we are in the pharmaceutical business, we do not recycle or reuse input material.[18]

4. **Of the products and packaging reclaimed at the end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:**

   As a pharmaceutical company, Cipla does not reclaim products at the end of their life for reuse or recycling due to the nature of the industry. Instead, expired or unused products are retrieved from market and safely disposed of through incineration. We actively use recycled tertiary packaging materials sourced from our suppliers and ensure responsible management of plastic waste. This includes collecting and channelising rigid, flexible and multi-layered plastics in quantities equivalent to those used in our own packaging.

   In FY 2024-25, we collected 1,992 metric tonnes of expired products for safe incineration and sent 274 metric tonnes of packaging material for recycling.

5. **Reclaimed products and their packaging materials (as percentage of products sold) for each product category.**

   As a pharmaceutical company, Cipla does not reclaim products at the end of their life for reuse or recycling, given regulatory and safety considerations. However, any reclaimed products are safely disposed of through incineration.

   In FY 2024-25, 15% of our formulation products were reclaimed and safely disposed through incineration. Additionally, 100% of the equivalent quantity of pre and post consumer plastic waste generated from our packaging is collected through authorised waste management agencies and is either co-processed, recycled, or converted into energy.[19]

[18] GRI 301-2
[19] GRI 301-3

PRINCIPLE 3

Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. **Details of measures for the well-being of employees:**

   Refer page no. 86 of Human Capital

   b. **Details of measures for the well-being of workers:**

   Refer page no. 86 of Human Capital

   c. **Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format.**

   Refer page no. 86 of Human Capital

2. **Details of retirement benefits, for Current Financial Year and Previous Financial Year.**

   Refer page no. 86 of Human Capital

3. **Accessibility of workplaces**

   Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

   Refer page no. 82 of Human Capital

4. **Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.**

   Refer page no. 82 of Human Capital

5. **Return to work and Retention rates of permanent employees and workers that took parental leave.**

   Refer page no. 85 of Human Capital

6. **Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.**

   Refer page no. 91 of Human Capital

7. **Membership of employees and worker in association(s) or Unions recognised by the listed entity:**

   Refer page no. 93 of Human Capital

8. **Details of training given to employees and workers:**

   Refer page no. 89 of Human Capital

9. **Details of performance and career development reviews of employees and worker:**

   Refer page no. 90 of Human Capital

10. **Health and safety management system:**

   a. **Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage of such system?**

   Refer page no. 93 of Human Capital

   b. **What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

   Refer page no. 94 of Human Capital

   c. **Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)**

   Refer page no. 95 of Human Capital

   d. **Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)**

   Refer page no. 96 of Human Capital

11. **Details of safety related incidents, in the following format:**

   Refer page no. 97 of Human Capital

12. **Describe the measures taken by the entity to ensure a safe and healthy work place.**

   Refer page no. 93 of Human Capital

13. **Number of Complaints on the following made by employees and workers:**

   Refer page no. 93 of Human Capital

14. **Assessments for the year:**

   Refer page no. 94 of Human Capital

15. **Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.**

   Refer page no. 94 of Human Capital

Leadership Indicators

1. **Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).**

   Yes

2. **Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.**

   All value chain partners are expected to uphold ethical, responsible conduct and maintain high standards of fair business practices in every transaction. Cipla has established robust processes to ensure that all applicable statutory dues related to these transactions are accurately deducted, deposited and reviewed through regular audit mechanisms. The Company also collects necessary certificates and proofs from contractors to verify compliance with statutory obligations such as PF, ESIC and other dues concerning contractual employees and workers.

3. **Provide the number of employees / workers having suffered high consequence work related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:**

Particulars	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2024-25	FY 2023-24	FY 2024-25	FY 2023-24
Employees	-	-	-	-
Workers	2	1	-	-

4. **Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)**

No

5. **Details on assessment of value chain partners:**

Refer to page no. 104 of Relationship Capital

6. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.**

Refer to page no. 104 of Relationship Capital

PRINCIPLE 4

Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. **Describe the processes for identifying key stakeholder groups of the entity.**

Refer to page no. 40 of Stakeholder Engagement

2. **List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.**

Refer to page no. 40 of Stakeholder Engagement

Leadership Indicators

1. **Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.[20]**

Respective business / functional heads engage with the stakeholders on various ESG matters and the relevant feedback from such consultation is provided to the Board, wherever applicable. For further details, refer page no. 46 of Double Materiality Assessment.

2. **Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.[21]**

Yes, our material issues are identified based on our engagement with our stakeholders. For details, please refer page no. 46 of Double Materiality Assessment.

3. **Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalised stakeholder groups.**

We interact with a range of stakeholders, which include vulnerable and marginalised groups. For more details, please see page no. 40 of Stakeholder Engagement.

The Company is involved in various CSR initiatives in local communities that address the needs of these vulnerable and marginalised groups. More information can be found on page nos. 107 to 113 of the Social Capital section. Currently, there are no significant concerns reported regarding vulnerable or marginalised groups.

[20] GRI 2-12, GRI 2-15

[21] GRI 2-12

PRINCIPLE 5

Businesses should respect and promote human rights

Essential Indicators

1. **Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:[22]**

   Refer page no. 92 of Human Capital

2. **Details of minimum wages paid to employees and workers, in the following format:**

   Refer page no. 91 of Human Capital

3. **Details of remuneration/ salary/ wages**

   a. **Median remuneration/ wages**

Category	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	9	1,08,50,000	2	49,89,932
Key Managerial Personnel	2	4,94,25,962	-	-
Employees other than BoD and KMP	25,240	6,79,946	4,704	6,37,009
Workers	260	13,30,736	106	14,34,552

   b. **Gross wages paid to females as a % of total wages paid by the entity, in the following format[23]**

Parameter	FY 2024-25	FY 2023-24
Gross wages paid to females as a % of total wages	16.01%	16.49%

4. **Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)**

   Refer page no. 91 of Human Capital

5. **Describe the internal mechanisms in place to redress grievances related to human rights issues.**

   Refer page no. 91 of Human Capital

6. **Number of Complaints on the following made by employees and workers:**

Particulars	FY 2024-25			FY 2023-24		
	Filed	Pending	Remarks	Filed	Pending	Remarks
Sexual Harassment	19	2	-	15	1	-
Discrimination at workplace	-	-	-	-	-	-
Child Labour	-	-	-	-	-	-
Forced labour/ Involuntary labour	-	-	-	-	-	-
Wages	-	-	-	-	-	-
Other human rights related issues	-	-	-	-	-	-

[22]GRI 2-24

[23]GRI 2-4 and Figures for FY 2023-24 have been restated as per Industry Standards Note on Business Responsibility and Sustainability

7. **Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:**

Particulars	FY 2024-25	FY 2023-24
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)[24]	17	12
Complaints on POSH as a % of female employees / workers	0.23%	0.18%[25]
Complaints on POSH upheld	17	12

8. **Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.[26]**

Refer page no. 92 of Human Capital

9. **Do human rights requirements form part of your business agreements and contracts?[27](Yes/No)**

Refer page no. 91 of Human Capital

10. **Assessments for the year:**

Refer page no. 92 of Human Capital

11. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.**

There were no significant risks/concerns arising from the assessments at question no. 10 above

Leadership Indicators

1. **Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.**

Not applicable

2. **Details of the scope and coverage of any Human rights due-diligence conducted.**

Refer page no. 92 of Human Capital

3. **Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

Yes

4. **Details on assessment of value chain partners:**

Refer to page no. 104 of Relationship Capital

5. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.**

Refer to page no. 104 of Relationship Capital

PRINCIPLE 6

Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. **Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:**

Parameter	FY 2024-25	FY 2023-24
From renewable sources*		
Total electricity consumption (A)	3,45,021	3,54,105
Total fuel consumption (B)	1,63,158	2,28,869
Energy consumption through other sources (C)	-	-
Total energy consumed from renewable sources (A+B+C) GJ	**5,08,179**	**5,82,974**

[24]This data includes complaints only specific to Cipla Limited and its Indian Subsidiaries as per statutory requirements.

[25]Previous year numbers have been restated as per Industry Standards Note on Business Responsibility and Sustainability Report Core

[26]GRI 2-25

[27]GRI 2-23

*This table does not include the attributes of IRECs. In FY 2024-25 we have procured 95,005 IRECs to convert our non renewable power into renewable. Based on GHG Protocol, USEPA and RE100 guidelines, after including the attributes of 95,005 IRECs, the total electricity consumption from renewable sources (A) becomes 6,87,039 GJ and total electricity consumption from non renewable sources (D) stands at 6,15,882 GJ for FY 2024-25.

Parameter	FY 2024-25	FY 2023-24
From non-renewable sources*		
Total electricity consumption (D)	9,57,899	9,03,539
Total fuel consumption (E)	5,89,442	5,31,498
Energy consumption through other sources (F)	-	-
Total energy consumed from nonrenewable sources (D+E+F) GJ	**15,47,341**	**14,35,037**
Total energy consumed (A+B+C+D+E+F) GJ	**20,55,520**	**20,18,011**
Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations) GJ/₹ lac of Revenue	0.75	0.78
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP) GJ/lac USD	15.42	17.92
Energy intensity in terms of physical output (GJ/MT Product)	136.24	127.62

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, independent assurance has been carried out by DNV Business Assurance India Private Limited.

2. **Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

   Not applicable. None of our API sites is crossing the energy threshold of 3,000 Metric tons of oil equivalent in FY 2024-25.

3. **Provide details of the following disclosures related to water, in the following format:**

Parameter	FY 2024-25	FY 2023-24
Water withdrawal by source (in kilolitres)		
(i) Surface water	43,140	48,667
(ii) Groundwater	2,16,318	2,13,764
(iii) Third party water	13,73,079	13,51,648
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	**16,32,537**	**16,14,079**
Total volume of water consumption (in kilolitres)	**14,93,995**	**14,98,961**
Water intensity per rupee of turnover (Total water consumption /₹ lac of Revenue)	0.54	0.58
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP) kilolitres/lac USD	11.20	13.31
Water intensity in terms of physical output (Water consumption/MT Product)	99.02	94.79

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

Yes, independent assurance has been carried out by DNV Business Assurance India Private Limited.

4. **Provide the following details related to water discharged:**

Parameter	FY 2024-25	FY 2023-24
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(ii) To Groundwater		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iii) To Seawater		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-

*This table does not include the attributes of IRECs. In FY 2024-25 we have procured 95,005 IRECs to convert our non renewable power into renewable. Based on GHG Protocol, USEPA and RE100 guidelines, after including the attributes of 95,005 IRECs, the total electricity consumption from renewable sources (A) becomes 6,87,039 GJ and total electricity consumption from non renewable sources (D) stands at 6,15,882 GJ for FY 2024-25.

Parameter	FY 2024-25	FY 2023-24
(iv) Sent to third-parties	1,38,541	1,15,118
- No treatment	94,222	66,084
- With treatment: Primary treatment	11,699	9,818
- With treatment: Tertiary treatment	32,620	39,216
(v) Others		
- No treatment	-	-
- With treatment - please specify level of treatment	-	-
Total water discharged (in kilolitres)	**1,38,541**	**1,15,118**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, independent assurance has been carried out by DNV Business Assurance India Private Limited.

5. **Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

We have implemented a Zero Liquid Discharge ('ZLD') system at our manufacturing facilities in Sikkim, Kurkumbh, Virgonagar, Indore, Goa and Bommasandra. As of 31st March, 2025, ZLD operations are in place at 54% of our global manufacturing units.

6. **Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**[28]

Parameter	Please specify unit	FY 2024-25	FY 2023-24
NOx	mg/Nm3	54.4	64.68
SOx	mg/Nm3	25.8	29.91
Particulate matter (PM)	mg/Nm3	56.5	31.25
Persistent organic pollutants (POP)	NA	NA	NA
Volatile organic compounds (VOC)	NA	NA	NA
Hazardous air pollutants (HAP)	NA	NA	NA
Others - please specify	NA	NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, independent assurance has been carried out by DNV Business Assurance India Private Limited.

7. **Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

Parameter	Unit	FY 2024-25	FY 2023-24
Total Scope 1 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	Energy based - 38,283 Refrigerant Emissions - 7,39,935	Energy based- 37,398 Refrigerant emissions:-6,97,682
Total Scope 2 emissions (market based approach) (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	1,29,087	2,07,238
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	tCO_2e/ ₹ lac of Revenue	0.329	0.365
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)	tCO_2e/lac USD	6.80	8.37
Total Scope 1 and Scope 2 emission intensity in terms of physical output	tCO_2e/MT Product	60.13	59.59

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, independent assurance has been carried out by DNV Business Assurance India Private Limited.

[28]GRI 305-7

8. **Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.**

Refer page no. 117 and 118 from Natural Capital

9. **Provide details related to waste management by the entity, in the following format:**

Parameter	FY 2024-25	FY 2023-24
Total Waste generated (in metric tonnes)		
Plastic waste **(A)**	3,351	2,748
E-waste **(B)**	96	67
Bio-medical waste **(C)**	114	102
Construction and demolition waste **(D)**	792	999
Battery waste **(E)**	107	70
Radioactive waste **(F)**	-	-
Other Hazardous waste. Please specify, if any. **(G)**	18,541	17,107
Other Non-hazardous waste generated **(H).** Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	9,212	10,550
Total (A+B + C + D + E + F + G+ H)	**32,213**	**31,643**
Waste intensity per rupee of turnover (Total waste generated / ₹ lac of Revenue)	0.012	0.012
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP) MT/lac USD	0.24	0.28
Waste intensity in terms of physical output (Total waste generated/MT product)	2.14	2.00
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled/Re-used	23,859	22,374
(ii) Other recovery operations	4,774	5,828
Total	**28,633**	**28,202**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	2,683	2,503
(ii) Landfilling	584	1,522
(iii) Other disposal operations	-	-
Total	**3,267**	**4,025**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, independent assurance has been carried out by DNV Business Assurance India Private Limited.

10. **Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

Refer page no. 123 to 125 from Natural Capital

11. **If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:**[29]

Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
Cipla Limited Bommasandra- Jigani Link Road, Industrial Area, Plot No. 285, KIADB Bangalore, Krishnapuram, Jigani, Karnataka 560105, India.	API manufacturing	Yes

[29]GRI 304-1

12 **Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year.**

Cipla has not undertaken any Environmental Impact Assessments of its Projects in FY 2024-25.

13. **Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:**

Yes, the Company is compliant with all applicable environmental laws and regulations.

Leadership Indicators

1. **Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):**

For each facility / plant located in areas of water stress, provide the following information:

(i) Name of the area: Baddi, Bommasandra, Virgonagar, Indore, Satara

Note: As per WRI Aqueduct tool (Beta Version 3.0). Sites with water stress >80% are considered

(ii) Nature of operations: API- Bommasandra, Virgonagar

Formulations- Baddi, Indore, Satara

(iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2024-25	FY 2023-24
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	158
(ii) Groundwater	62,324	57,940
(iii) Third party water	3,36,159	3,32,345
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres)	**3,98,483**	**3,90,443**
Total volume of water consumption (in kilolitres)	**3,86,784**	**3,80,625**
Water intensity per rupee of turnover (Water consumed /₹ lac of Revenue)	0.14	0.15
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water		
- No treatment	-	-
- With treatment - please specify level of treatment	-	-
(ii) Into Groundwater		
- No treatment	-	-
- With treatment - please specify level of treatment	-	-
(iii) Into Seawater		
- No treatment	-	-
- With treatment - please specify level of treatment	-	-
(iv) Sent to third-parties	11,699	9,818
- No treatment		-
- With treatment - primary treatment	11,699	9,818
(v) Others		
- No treatment		-
- With treatment - please specify level of treatment		-
Total water discharged (in kilolitres)	**11,699**	**9,818**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, independent assurance has been carried out by DNV Business Assurance India Private Limited.

2. **Please provide details of total Scope 3 emissions & its intensity, in the following format:**

Parameter	Unit	FY 2024-25	FY 2023-24
Total Scope 3 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	50,28,316	45,76,772
Total Scope 3 emissions per rupee of turnover	tCO_2e/ ₹ lac of Revenue	1.83	1.77
Total Scope 3 emission intensity adjusted for PPP	tCO_2e/ lac USD	37.71	40.63
Total Scope 3 emission intensity in terms of physical output	tCO_2e/MT Product	333.27	289.43

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, independent assurance has been carried out by DNV Business Assurance India Private Limited.

3. **With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.**

Bommasandra site is under notified Industrial Area, located within 10 km of the Bannerghatta National Park. We have conducted Environmental Impact Assessment studies in previous years and no significant impact of the organisation on Biodiversity has been observed.

4. **If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:**

Refer to page no. 64 of Manufactured Capital

5. **Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.**[30]

A detailed framework and guidelines have been provided in Cipla's Business Continuity Plan guidance document to support Cipla's business units and operations to respond, restore and check critical business processes when normal operations are disrupted. This document provides an overview of ongoing functions, describes an approach to supporting critical business functions and defines personal roles and responsibilities. It also outlines notification procedures and communication methods, protocols for activation deactivation plans, provisions for alternative workplaces/manufacturing/ product development and a plan for the maintenance and recovery of important records.

This document contains BCP guidelines to respond to outages caused by natural, technical and man-made events, as well as events that cause loss of access to parts or the entire facility or loss of service due to failure of equipment or systems. The effect of the above disruptive events can lead to the realisation of risks in main risk categories i.e. Environmental, health and safety ('EHS') and business/financial risks. The BCP guidelines provide a framework for addressing these EHS and business/ financial risks. BCP guidelines\apply to Cipla, its subsidiaries and affiliates. Additionally, every Cipla location has an on-site emergency response plan.

Furthermore, due to the variability of disruptions, from time to time, business functions may define specific business continuity/ risk mitigation plans which are taken with due consideration toward risks involved and are subject to cross-functional deliberations and approvals.

6. **Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.**

Refer to page no. 104 of Relationship Capital.

7. **Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

Refer to page no. 104 of Relationship Capital.

8. **How many Green Credits have been generated or procured:**

   (i) By the listed entity: Nil

   (ii) By the top ten (in terms of value of purchases and sales, respectively) value chain partners: Not available

PRINCIPLE 7

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. **Number of affiliations with trade and industry chambers/ associations.**

   Refer to page no. 102 of Relationship Capital

   b. **List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.**

   Refer to page no. 102 of Relationship Capital

[30] GRI 3-3

2. **Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities.**

   Not Applicable

Leadership Indicators

1. **Details of public policy positions advocated by the entity:**

   Refer to page no. 102 of Relationship Capital

PRINCIPLE 8

Businesses should promote inclusive growth and equitable development

Essential Indicators

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.[31]**

   During the year, the Company was not required to undertake any SIA under the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013.

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**

   Not Applicable

3. **Describe the mechanisms to receive and redress grievances of the community.[32]**

   Local communities can raise their grievances as per the mechanism provided in our Code of Conduct available on our website of the Company. For further details refer our response to Question no. 25 of Section A on page no. 172.

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

   Refer to page no. 103 of Relationship Capital

5. **Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost [33]**

Location	FY 2024-25	FY 2023-24
Rural	10.66%	10.51%
Semi-urban	2.42%	2.34%
Urban	3.52%	3.51%
Metropolitan	83.40%	83.64%

Leadership Indicators

1. **Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):**

   Not Applicable

2. **Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:**

S. No.	State	Aspirational District	Amount spent (in ₹)
1	Bihar	Muzaffarpur	49,82,037
2	Andhra Pradesh	Visakhapatnam	54,42,638

3. a) **Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised /vulnerable groups? (Yes/No)**

   (b) **From which marginalised /vulnerable groups do you procure?**

   (c) **What percentage of total procurement (by value) does it constitute?**

   The Company maintains a neutral approach in its supplier selection and procurement processes, guided by its procurement policy, supplier code of conduct, and supply chain management sustainability policy. At this time, the Company does not factor in criteria related to marginalised or vulnerable groups in its supplier selection.

   During the year, we allocated 72% of our total procurement budget to local sourcing, with 8.9% of all input materials procured from MSME suppliers.

4. **Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:**

   Refer to page no. 72 of Intellectual Capital

5. **Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.**

   Refer to page no. 72 of Intellectual Capital

6. **Details of beneficiaries of CSR Projects:**

   For CSR projects and no. of persons benefited from CSR projects – Refer page no. 106 of Social Capital and page no. 152 of the Annual Report of CSR.

   % of beneficiaries from vulnerable and marginalised group - The primary objective of the CSR projects is to reach out to the most vulnerable and marginalised communities from a weak socio-economic background from the rural as well as urban population.

[31]GRI 413-2

[32]GRI 2-25

[33] GRI 2-4. This data pertains to permanent employees and workers of Cipla Limited. Figures for FY 2023-24 have been restated as per Industry Standards Note on Business Responsibility and Sustainability

PRINCIPLE 9

Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. **Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

   Consumer complaints and feedback are addressed through a robust mechanism and focused efforts are made to do so in an effective and timely manner. All patients/consumers, healthcare professionals and other concerned stakeholders can report any adverse event or product complaint through a dedicated phone line and mailbox. Consumer complaints received at drugsafety@cipla.com are assessed and addressed as per Standard Operating Procedure ("SOP"). Depending on the nature, the complaint will be forwarded to the relevant department for possible further action, including appropriate response to the complaints. Consumers can also submit their complaints/feedback as per the mechanism set out in our Code of Conduct available on the Company's website. We also take appropriate steps to address consumer complaints raised in consumer forums in accordance with applicable laws and regulations.

2. **Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:**

Particulars	As a percentage of total turnover
Environmental and social parameters relevant to the product	-
Safe and responsible usage	100
Recycling and /or safe disposal	-

   Note: The Company does not maintain/record data pertaining to the percentage of turnover of products of the Company that carry information regarding environmental / social parameters relevant to the product and recycling and/or safe disposal of the products. The Company is in compliance of applicable laws and regulations w.r.t. product labelling and information.

3. **Number of consumer complaints in respect of the following:**

Particulars	FY 2024-25			FY 2023-24		
	Received during the year	Pending resolution at the end of the year	Remarks	Recevied during the year	Pending resolution at the end of the year	Remarks
Data Privacy	-	-	-	-	-	-
Advertising	-	-		-	-	-
Cyber Security	-	-	-	-	-	-
Delivery of Essential Services	-	-	-	-	-	-
Restrictive Trade Practices	-	-	-	-	-	-
Unfair Trade Practices	-	-	-	-	-	-
Other	1	1	Sub judice	-	-	-

4. **Details of instances of product recalls on account of safety issues:**

   Refer to page no. 67 of Manufactured Capital

5. **Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy**

   Refer to page no. 69 of Manufactured Capital

6. **Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.**

   For each product recall, we identified the root cause and thereafter appropriate corrective and preventive actions were implemented across various areas. These included manufacturing, packaging, incoming material inspection, and vendor controls.

7. **Provide the following information relating to data breaches:**

    a. **Number of instances of data breaches:** 1

    b. **Percentage of data breaches involving personally identifiable information of customers:** Nil

    c. **Impact, if any, of the data breaches:** The Company recorded one data breach in FY 2024-25. However, there was no loss of data or adverse impact.

Leadership Indicators

1. **Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

    Please refer to the following weblink: https://www.cipla.com/our-offerings

2. **Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

    Refer page no. 102 of Relationship Capital

3. **Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

    Not Applicable

4. **Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

    Yes, refer page no. 102 of Relationship Capital

Report on Corporate Governance

Cipla's Philosophy on Corporate Governance

The corporate governance philosophy at Cipla stems from the set of principles and framework embedded in its values. Our legacy of deep commitment to compassion and care for patients resonates throughout the organisation. Our vision of providing high quality, life-saving drugs at affordable prices since our inception, has evolved into our endearing purpose, 'Caring for Life'. This purpose ultimately guides our organisational decisions and anchors our every action.[1]

Creating Value

At Cipla, we aim to abide by the highest standards of good governance and ethical behaviour across all levels within the organisation with a zero-tolerance policy towards any deviation from these standards. Our ethical framework focuses on long-term shareholder value creation through responsible decision-making. Cipla's corporate governance framework is founded on the following pillars:

Transparency

For us, transparency is key to healthy, self-sustaining growth and promotes self-enforcing checks and balances. It also fosters deep and long-standing trust among our stakeholders. We strive to demonstrate the highest levels of transparency, over and above statutory requirements, through accurate and prompt disclosures.

Fairness

We practice fair play and integrity in our transactions with all stakeholders, both within and outside the organisation. We conduct ourselves in the most equitable manner.

Accountability

For us, accountability is about holding ourselves firmly responsible for what we believe in and for delivering what we have promised. We ensure this by promoting a mind-set of end-to-end ownership throughout the organisation. By means of openness and transparency, we consider ourselves accountable to the entire universe of stakeholders including our patients, employees, shareholders, vendors, government agencies, society, medical community, customers and business partners and supply chain participants.

Competent leadership and management

We believe that a dynamic, diverse and experienced board with focus on excellence plays a pivotal role in Cipla's corporate governance aspirations. In view of this, we endeavour to maintain a board composition that brings healthy balance of skills, experience, independence, assurance, growth mind-set, and deep knowledge of the sector.

Empowerment

The empowerment of leaders and employees is an important step in enabling high performance and developing leadership capabilities within the Company. Our leadership essentials, which focus on people, performance and health, are strongly embedded in our First Principles. They define a common vocabulary and approach for building leadership within the Company.

Sustainability

At Cipla, sustainability is about effectively managing the triple bottom line i.e. the financial, social and environmental aspects, whilst focusing on business continuity. We are committed to pursuing our economic growth while concurrently watching our ecological footprint and increasing our positive social impact.

Compliance and risk management

Full adherence to all regulatory and statutory requirements in letter and spirit is a key guiding principle at Cipla. Our global footprint and the associated operating environment is characterised by several risks, which can potentially impact our current and future earnings. The risk management function targets to maintain a live register of important risks along with implementing a plan to monitor and mitigate them. We believe that effective compliance and risk management activities will drive the sustainability of corporate performance.

Governance structure

Cipla's robust governance philosophy is executed through a multi-tiered governance structure with clearly defined roles and responsibilities for every constituent of the governance system.[2]

Board of Directors: The one-tier Board of Directors ('Board') is responsible for the strategic supervision and overseeing the management performance and governance of the Company on behalf of the shareholders and other stakeholders. The Board exercises independent judgment and plays a vital role in monitoring the Company's affairs.[3] The Board also ensures the Company's adherence to the standards of corporate governance and transparency.

Board Committees: To effectively discharge the obligations and to comply with the statutory requirements, the Board has constituted six Board Committees. Each committee operates under a clearly defined charter that specifies its specific roles and responsibilities. These committees deal with specific areas that are assigned to them for either final decision-making or making appropriate recommendations to the Board.[4]

[1]GRI 3-3
[2]GRI 2-9
[3]GRI 2-12
[4]GRI 2-13

Chairman: The Chairman acts as the leader of the Board and presides over the meetings of the Board and the shareholders, while ensuring that the Company's strategies are based on our underlying principle of 'Caring for Life' and reflect our core values.[5]

Managing Director and Global Chief Executive Officer ('MD & GCEO'): The MD & GCEO is responsible for business performance, driving growth and implementation of the strategic decisions aligned to the vision and purpose-driven mission of Cipla. The MD & GCEO's priorities include designing and executing Cipla's long-term strategy based on organic and inorganic initiatives, defining the innovation and business reimagination agenda for the Company, to ensure growth with sustainability by leveraging digitisation and automation initiatives and to create a world-class future-ready global organisation with a vibrant and enabling culture where talent thrives and grows.[6]

Management Council: The Management Council serves as the apex leadership team, to set and deliver the strategic long-term growth agenda for group, by creating and delivering best in class practices, processes and products. The Management Council drives the growth ambition and sustainability initiatives across the organisation.[7]

The Management Council comprises of MD & GCEO (Chairman), Global Chief Operating Officer, Global Chief Financial Officer, Global Chief People Officer, CEO -Cipla South Africa & Regional Head Africa and Access, CEO – Emerging Markets and Europe, CEO -North America, Global Chief Scientific Officer, Chief Information Officer, Global Chief Medical Officer, Global Head Supply Chain, and Global Head of Quality.

Detailed profiles of members of the Management Council are available on the Company's website at https://www.cipla.com/about-us/management-council

Business Council: Business Council comprising of select business heads and functional heads, supports the Management Council in discharging its responsibilities. It plays a key role in ensuring the effective delivery of strategy at group level.[8]

Operating Committees: The Company has various cross functional operating committees that ensure robust delivery of business objectives and operationalisation of strategic plans. These committees also ensure that the Company maintains its growth momentum within the defined risk management framework and governance principles.[9]

Board of Directors

Composition of the Board

Cipla's board represents an appropriate mix of executive, non-executive and independent directors, which is compliant with the requirements of the Companies Act, 2013 ('the Act') and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') and is also in line with the best practices of corporate governance.[10]

Category

55% Independent
36% Non-Executive
9% Executive

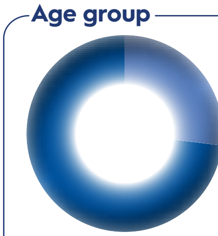
Nationality

55% Foreign
45% Indian

Gender

82% Male
18% Female

Age group



73% > 50 years
27% 30 - 50 year

[5]GRI 2-11
[6]GRI 2-13
[7]GRI 2-13
[8]GRI 2-13
[9]GRI 2-13
[10]GRI 2-9 and GRI 2-15

Details of directors

Detailed profile of the directors is available on the Company's website at https://www.cipla.com/about-us/board-directors.

Details of the directors, including their category, composition, directorships in other listed companies and committee memberships/chairpersonships in other public companies as on 31st March, 2025 have been provided in Annexure A.

Board skill matrix

The Board of the Company possess following relevant skills, expertise and competence to ensure effective functioning of the Company.[11]

Board Skills		Board skill distribution (%)
Corporate Governance	Protection of stakeholders' interest, observing best governance practices, commitment to the highest standards of compliance, corporate ethics and values and identifying key governance risks.	100
Global Economics and Business	Understanding of diverse business environments, regulatory framework and global economy, political conditions & cultures.	100
General Management and Leadership	General know-how of business management, talent management and development, succession planning, workplace health & safety.	100
Operations	Expertise and technical know-how in the areas of manufacturing, quality and supply chain.	81.82
Financial Expertise	Proficiency in financial management, financial reporting process, budgeting, treasury operations, audit and capital allocation.	72.73
Mergers and Acquisitions (M&A)	Experience in evaluating M&A deals for inorganic growth and ability to align it with the Company's growth strategy and future business opportunities.	72.73
Risk Management	Ability to identify and evaluate significant risks affecting the business operations of the Company and to monitor the effectiveness of risk management framework and practices.	72.73
Pharmaceuticals, Science and Technology	Experience in pharmaceuticals sector, science and technology domain.	63.64
Sales, Marketing and Commercial	Experience in strategising market share growth, building brand awareness, enhancing enterprise reputation	63.64
Tech and Digital	Experience in the field of technology and digitalisation, envisage new technological business trends and experience in creating new business models.	63.64
Sustainability and ESG	Understanding of diverse and global sustainability and ESG practices and the ability to align them with the Company's growth strategy.	54.55

[11]GRI 2-17

Name of Director	Special Skills
Dr Y K Hamied	Corporate Governance; Global Economics and Business; General Management and Leadership; Operations; M&A; Risk Management; Pharmaceutical, Science and Technology; Sales, Marketing and Commercial.
Mr Kamil Hamied	Corporate Governance; Global Economics and Business; General Management and Leadership; Operations; Financial Expertise; M&A; Risk Management; Pharmaceutical, Science and Technology; Sales, Marketing and Commercial; Tech and Digital.
Mr Umang Vohra	Corporate Governance; Global Economics and Business; General Management and Leadership; Operations; Financial Expertise; M&A; Risk Management; Pharmaceutical, Science and Technology; Sales, Marketing and Commercial; Tech and Digital; Sustainability and ESG.
Mr Abhijit Joshi	Corporate Governance; Global Economics and Business; General Management and Leadership; Financial Expertise; M&A; Risk Management.
Mr Adil Zainulbhai	Corporate Governance; Global Economics and Business; General Management and Leadership; Operations; Financial Expertise; M&A; Risk Management; Pharmaceutical, Science and Technology.
Dr Balram Bhargava	Corporate Governance; Global Economics and Business; General Management and Leadership; Operations; Financial Expertise; Pharmaceutical, Science and Technology; Tech and Digital; Sustainability and ESG.
Dr Mandar Vaidya	Corporate Governance; Global Economics and Business; General Management and Leadership; Operations; M&A; Pharmaceutical, Science and Technology; Sales, Marketing and Commercial; Tech and Digital.
Ms Maya Hari	Corporate Governance; Global Economics and Business; General Management and Leadership; Operations; Financial Expertise; Risk Management; Sales, Marketing and Commercial; Tech and Digital; Sustainability and ESG.
Mr P R Ramesh	Corporate Governance; Global Economics and Business; General Management and Leadership; Financial Expertise; M&A; Risk Management; Tech and Digital; Sustainability and ESG.
Mr Robert Stewart	Corporate Governance; Global Economics and Business; General Management and Leadership; Operations; Financial Expertise; M&A; Risk Management; Pharmaceutical, Science and Technology; Sales, Marketing and Commercial; Sustainability and ESG.
Ms Sharmila Paranjpe	Corporate Governance; Global Economics and Business; General Management and Leadership; Operations; Financial Expertise; Sales, Marketing and Commercial; Tech and Digital; Sustainability and ESG.

Board membership criteria and selection process

The Nomination and Remuneration Committee ('NRC') is responsible for identifying and evaluating suitable candidate for the Board, based on the criteria laid down in the Nomination, Remuneration and Board Diversity Policy. The policy is available on the website of the Company at https://www.cipla.com/sites/default/files/2025-02/Nomination-Remuneration-and-Board-Diversity-policy.pdf[12]

The Committee keeps the composition of the Board and its Committees under constant review and continually strives to ensure that the Board has relevant skills, knowledge and experience necessary to oversee, challenge and support management in the achievement of the Group's strategic and business objectives.

In view of the retirement of some of the independent directors upon completion of their maximum permissible term and resignation / retirement of non-executive directors during the year, the board succession planning was one of the critical matter for the Board and the NRC.

The process for the appointment of directors was led by the Chairperson of the NRC (Ms Punita Lal) and the Lead Independent Director (Mr Adil Zainulbhai). Potential candidates were evaluated on a range of factors, in addition to the eligibility criteria outlined in the Nomination and Remuneration & Board Diversity Policy. These factors included the candidate's background, skill set, and experience, their ability to express independent judgement and participate across a broad range of topics (including financial and human resource matters), their ability to devote sufficient time to the company, potential conflicts of interest, and whether their appointment would contribute to the Board's diversity.

[12]GRI 2-10

Upon preliminary shortlisting, all the board members individually met the potential candidates and provided their independent recommendations. Based on the recommendations from all the board members, the shortlisted candidates were formally recommended by the NRC to the Board. The Board approved the appointment and recommended the same to the shareholders for approval.

Role of the Board

The Board is the apex body. It is responsible for strategic supervision and overseeing the management performance, and governance of the Company. In order to take an informed decision, the Board has access to all relevant information as well as to the employees of the Company and its subsidiaries. Driven by its Governance Philosophy, the Board strives to work in the best interests of the Company and its stakeholders. While discharging its roles and responsibilities, the Board, *inter alia*, considers the following matters:[13]

Strategic matters:

i. Reviewing and guiding the corporate strategy;

ii. Corporate re-structuring activities including merger/demerger;

iii. Details of any acquisition, joint venture or collaboration agreement including proposals for investment, divestment and brand/ intellectual property acquisition;

iv. Sale of investment, subsidiaries or assets which are material in nature; and

v. Financial assistance to subsidiary companies.

Operational matters:

i. Annual operating plans and capital budgets;

ii. Regular business/function updates;

iii. Significant labour problems and their proposed solutions;

iv. Any significant development on the human resources/industrial relations front; and

v. Details on regulatory inspection.

Finance matters:

i. Quarterly/Annual standalone and consolidated results and financial statements of the Company;

ii. Any material default in financial obligations to or by the Company or substantial non-payment for goods sold by the Company; and

iii. Quarterly details of foreign exchange exposures and hedging.

Governance matters:

i. Materially important show cause, demand, prosecution, penalty legal notices or any compliance matters, if any;

ii. Fatal or serious accidents, dangerous occurrences, material effluent or pollution problems, if any;

iii. Statutory disclosures received from the directors;

iv. Minutes of meetings of the Board, Board Committees and subsidiary and resolutions passed by circulation;

v. Performance of the Organisation and the MD & GCEO;

vi. Quarterly compliance certificate;

vii. Risk management framework of the Company;

viii. Significant transactions or arrangements by subsidiary companies;

ix. Reviewing the operations of subsidiary companies;

x. Corporate Social Responsibility related matters;

xi. Related party transactions where directors/ KMPs/ SMPs are interested;

xii. Appointment and remuneration of Directors, Key Managerial Personnels (KMPs) and Senior Managerial Personnels (SMPs) including grant of shares based incentives to KMPs and SMPs;

xiii. Appointment of auditors and their remuneration;

xiv. Performance evaluation of the Board, board committees and directors;

xv. Any issue which involves possible public or product liability claims of substantial nature;

xvi. Report on Prohibition of Insider Trading ('PIT') compliances; and

xvii. Code of Conduct.

[13]GRI 2-12

Board evaluation

In accordance with the provisions of the Act and the SEBI Listing Regulations, the Board conducts an annual evaluation of its own performance, performance of the board committees as well as the individual directors.[14]

Board evaluation criteria

As a process, the Company engages an independent external agency in a block of four years to conduct a detailed performance evaluation. The last such exercise was undertaken in FY 2020-21. The performance evaluation in the current year was undertaken internally by the Company. To ensure confidentiality, an independent agency was appointed to facilitate the board evaluation through an online tool and submit the evaluation report. The evaluation was conducted by way of structured questionnaires which were approved by the NRC. The key performance evaluation criteria were as follows:

Board – Structure, composition and quality, agenda and collateral, board meeting practices, overall board effectiveness.

Board committees - Composition and diversity, leadership of the Chair, meetings frequency and duration, role and responsibilities, etc.

Individual directors – Time spent, participation and contribution, attendance, engagement with fellow board members, Key Managerial Personnels (KMPs) and senior management, etc.

Independent directors – Independence from the Company, independence of judgement, participation in Board deliberations, etc.

Chairman – Effective leadership, conduct of impartial discussions, encouragement to the members for objective discussion and promoting positive image of the Company, etc.

MD & GCEO - The performance of the MD & GCEO was periodically evaluated by the Board and the NRC against an annual scorecard duly approved by the Board based on the recommendation of the NRC. The scorecard inter-alia included long term as well as short term strategic priorities and the financial as well as non-financial matrix. The financial matrix included targets on revenue and EBITDA. The non-financial matrix covered operational performance and strategic priorities including innovation, new business building, new market development, compliance, ESG, succession planning & development, improvements in inclusion & diversity, etc.

Prior to determining the final outcome of performance evaluation, other related factors such as performance of peers, wider market conditions and general industry were also considered.

Board evaluation process

- All the directors had participated in the evaluation process. The responses received from the individual members were compiled by an independent agency and a consolidated report was shared with the Board.
- The evaluation reports of individual directors were shared with the NRC Chair and respective directors.
- The evaluation reports were discussed at the meetings of the Board, respective board committees and the independent directors.

Outcome of the performance evaluation process

As per the evaluation report, the directors were satisfied with board effectiveness, experience, diversity, expertise, quality of board discussions and board meeting processes, etc. The Committees were also found to be effective in terms of its composition, functioning, competence of the members, compliance with the statutory obligations, role and responsibilities and quality of discussions at the meeting.

The Board was satisfied that each director had diligently discharged his or her duties being board member of the Company and had contributed meaningfully.

The Board suggested to (i) form small focused groups to address critical business matters for timely action and resolution (ii) build an action-oriented agenda for board/ committees to facilitate high level strategic discussion (iii) ensure active engagement of the board members in the matters relating to strategy and execution.

Actions taken on recommendations received in the previous FY 2023-24

With respect to the key focus areas identified by the Board during FY 2023-24, the following actions were, *inter-alia*, undertaken:

- Board Succession planning was central to the NRC's agenda during the year. Through a rigorous and structured process, several changes were implemented in the composition of the Board and its Committees. The NRC also placed significant emphasis on the succession planning and building talent pipeline for senior management. A detailed update on the same has been covered in the NRC report section of this report.

[14]GRI 2-18

- Throughout the year, the management continued to deeply engage with the Board on various technical and non-technical topics of pharmaceutical industry in areas of digital, artificial intelligence, innovation, etc. To enrich these discussions, external experts were also invited to provide insights. A update on the same is covered in the section of familiariasation programme of this report.
- The Board also held a strategic offsite during the year, where it reviewed the progress on strategic priorities.
- As part of the ongoing commitment to excellence in governance, the management continued to actively engage with the Chairman, Chairperson of the respective board committees, and the Lead Independent Director to optimise the meeting agendas and ensure their timely circulation to the Board and board committees.

Succession planning for the Senior Management

The NRC reviews and oversees succession planning of the Management Council and select senior management positions. The NRC was satisfied with the progress and Company's preparedness. Currently, the Company has a succession plan in place for its top 30 critical positions including the Management Council members. Succession planning of the top leadership positions has been covered in detail in Human Capital section on page no. 78.

Board and Committees meetings and procedure

The Board and the Committee meetings are prescheduled. An annual calendar of the meetings is circulated to the directors well in advance to ensure their availability and meaningful participation in the Board and Committee meetings. The Board, the Audit Committee and the NRC are guided by the Annual Agenda Plan, which helps the Board and the respective committees to ensure that they are able to discharge its roles and responsibilities effectively and take up important issues systematically over a period of time. The Annual Agenda Plan is finalised in consultation with management and the Chairpersons of the respective Committees and is approved by the Board. In case of urgent matters, approvals are sought by passing the resolution by circulation.

The chairperson of respective board committee brief the Board on key matters discussed during its meetings, including recommendations and approvals. The Global Chief Financial Officer is a permanent invitee at all the board and board committee meetings except the NRC meetings. The Global Chief Operating Officer is a permanent invitee at all the board meetings. The agenda for the Board meetings is finalised by the Company Secretary in consultation with the Chairman, the Lead Independent Director, and the MD & GCEO, and is circulated to Board/committee members in advance. Similarly, the agenda for the committee meetings is finalised by the Company Secretary in consultation with the Chairperson of the respective committee and the MD & GCEO.

Additional items in the meetings are taken up with the permission of the respective Chairperson and the consent of majority of the Board/respective committee members present at the meeting. The agenda of the Board and board committee meetings are circulated electronically through a secured IT platform. For updates on business performance/functionals, performance of subsidiaries and other important updates, the respective functional or business heads are invited to the Board and board committee meetings.

Post-meeting follow-up system

Immediately upon the conclusion of the Board meeting, a summary of key decisions and actionable points for the management is circulated to all the Board members.

The important decisions and action points for the management at the Board and Committee meetings are tracked till their closure and update on the same in the form of an 'action taken report' is placed before each Board and respective committee meetings for noting/review/approval.

Independent directors

As per the provsions of the Act and the SEBI Listing Regulations, at least 50% of the Board shall comprise of the independent directors. Currently, approx. 55% of our Board members are independent.

At the time of appointment and thereafter at the beginning of each financial year, every independent director submits a declaration confirming their independence in compliance with the provisions of Section 149(6) and Schedule IV of the Act read with the rules made thereunder, and Regulation 16(1)(b) of the SEBI Listing Regulations. The declarations of independence received from the independent directors are noted and taken on record by the Board.

In the opinion of the Board, all independent directors fulfil the criteria of independence as stated in above statutory provisions and are independent of the management.

At the time of appointment or re-appointment, each independent director is issued a formal letter of appointment containing the terms and conditions of appointment, roles and duties, the evaluation process, applicability of Code of Conduct of the Company and the Code of Conduct on Prevention of Insider Trading, etc. The draft letter of appointment is available on the Company's website at https://www.cipla.com/sites/default/files/2020-09/Terms%20and%20Conditions%20of%20appointment%20of%20independent%20directors.pdf.

During the year, none of the independent directors of the Company was serving as an independent director in more than seven listed companies or was holding whole-time directorship in any listed Company.

Lead Independent Director

Since Mr Adil Zainulbhai was retiring as an Independent Director upon completion of his second term on 2nd September, 2024, Mr P R Ramesh was designated as the Lead Independent Director in his place, w.e.f. 1st September, 2024.

The roles and responsibilities of the Lead Independent Director are as follows:

i. Preside over all meetings of independent directors.

ii. Provide objective feedback of the independent directors as a group to the Board on various matters.

iii. Liaise between the Promoters, Chairman/Vice Chairman, CEO and independent directors on contentious matters for consensus building.

iv. Preside over meetings of the Board and shareholders when the Chairman and the Vice-Chairman are not present, or where he is an interested party.

v. Help the Board and the NRC in identifying suitable candidates for the position of director and Board succession planning.

vi. Advocacy with key external stakeholders.

vii. Help the Company in further strengthening the board effectiveness and governance practices, including suggestions on agenda items for Board / Committee meetings on behalf of the independent directors.

viii. Permanent invitee in all board committee meetings.

ix. Perform such other duties as may be delegated by the Board from time to time.

Meeting of the Independent Directors

During the year, the independent directors met four times without the presence of the management and non-executive directors.

The independent directors *inter-alia* discussed matters arising out of the agendas of the Board and board committees, Company's performance, operations and other critical matters while identifying areas where they needed clarity or information from the management. During the year, the independent directors also met with the Statutory Auditors and Secretarial Auditors without presence of the management.

The Independent Directors also have access to the Internal Auditor, Secretarial Auditors, Cost Auditors, and the management for discussions and questions, if any.

They discussed evaluation report and reviewed the performance of the individual directors, the Chairman and the Board as a whole after taking into consideration, the views of the executive and the non-executive directors. They also assessed the quality, quantity, effectiveness and promptness of the flow of information between the Company's management and the Board.

The Lead Independent Director also briefed the Board on the proceedings of the independent directors' meeting and the matters that require attention at the Board or management level.

Familiarisation programme for Non-Executive Directors

Induction

Cipla has a robust induction process that enables newly appointed directors to familiarise them with the Company, management, operations and pharmaceutical industry. All the directors are made aware of their roles and duties at the time of their appointment/re-appointment through a formal letter of appointment which also stipulates other terms and conditions of their appointment.

The Company Secretary works with the Chairman, the MD & GCEO and the Lead Independent Director to ensure that all Board members receive appropriate training, both individually and collectively, throughout their time on the Board. On appointment, new Directors are provided with tailored and comprehensive induction programmes to fit with their individual experiences, expertise, expectation and needs. During the year, Dr Balram Bhargava, Ms Sharmila

Paranjpe, Ms Maya Hari, Independent Directors and Mr Kamil Hamied, Mr Abhijit Joshi and Mr Adil Zainulbhai, Non-Executive Directors were welcomed to the Board.

Induction programme for new Directors is structured to suit the particular background and experience of the individual Director. The induction programme is tailored through formal briefings and introductory sessions with other board members, senior management, legal counsel, auditors, and plant and market visits etc.

The Management Council members and other senior leaders are invited to the Board and committee meetings to provide update on their respective businesses / functions. In addition external speakers are invited, on topics collectively identified by the Board.

The Board is regularly briefed on relevant legal and regulatory matters, emerging geo-political and macro-economic scenarios, governance developments or changes, best practice developments and other risk factors, etc. Details of familiarisation programmes for the independent directors is uploaded on the Company's website at https://www.cipla.com/sites/default/files/Details-of-Familiarisation-programme-IDs-FY-2024-25-np.pdf

Remuneration, notice period and severance fees relating to Executive Director

Mr Umang Vohra was initially appointed as the MD & GCEO at the 80th Annual General Meeting (AGM) held on 28th September, 2016, for a period of five years i.e. upto 31st August, 2021. On the recommendation of the NRC, the Board re-appointed Mr Umang Vohra as MD & GCEO of the Company, for a further period of five years, effective from 1st April, 2021, to 31st March, 2026.

The Board on the recommendation of NRC, annually reviews and revises the remuneration of Mr Umang Vohra, within the overall limits approved by the shareholders.[15]

The detailed terms and conditions of appointment and remuneration of Mr Umang Vohra have been mentioned in the Notice of 85th and 86th AGM, and Postal Ballot notice dated 11th April, 2024 available on the Company's website. As per the terms of appointment and employment agreement dated 31st March, 2021, the arrangement can be terminated by giving - (a) four months notice if the Board has approved a successor who is ready to assume Mr Umang Vohra's role at the expiry of the said four months period; or (b) six months notice where no such successor has been approved by the Board. The Company may relieve Mr Umang Vohra earlier by paying pro-rata annual fixed salary in lieu of the notice period.

In the event of cessation of employment with the Company within 360 days of the date of announcement of the Change in Control of the Company, an aggregate amount of the Annual Cap as on the date of termination and the corresponding on-target variable bonus, for a full year from the date of termination shall be payable to the Mr Umang Vohra, in accordance with applicable laws.

In case of the share-based incentives all the vested stock options and stock appreciation rights as on the date of Change in Control shall be exercisable before the last working day with the Company. All the unvested incentives shall vest immediately (subject to lock-in period and in accordance with applicable laws) and shall be exercisable within 90 days of the Change in Control, unless otherwise determined by the NRC whose determination will be final and binding. There is no separate provision for payment of severance fees.

Share-based incentive schemes

The Company had implemented the Employee Stock Option Scheme 2013-A ('ESOS 2013-A Scheme') and the Cipla Employee Stock Appreciation Rights Scheme, 2021 ('Cipla ESAR Scheme 2021') for grant of share-based benefits to its employees and the employees of its subsidiary companies.

In compliance with the requirements of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (SEBI SBEB Regulations), a certificate from the secretarial auditor, confirming that the Schemes were implemented in accordance with the SEBI SBEB Regulations is uploaded on website of the Company at https://www.cipla.com/investors/annualreports.

Dr Y K Hamied, Promoter, Mr Kamil Hamied, member of Promoter group and the Independent Directors are not entitled to benefits under share-based incentive schemes of the Company.

During FY 2023-24, Mr Umang Vohra, MD & GCEO was granted 23,896 stock options at an exercise price of ₹ 2/- per option and 76,821 stock appreciation rights. Out of which, all the vested stock options were exercised by him during the year.

During the year, Mr Umang Vohra, MD & GCEO was granted 33,168 stock options and 1,14,405 stock appreciation rights from the Company, out of which 16,584 options and 63,746

[15]GRI 2-19 and GRI 2-20

stock appreciation rights have vested in May 2025. The remaining 16,584 options and 50,659 stock appreciation rights will vest on completion of employment contract i.e. on 31st March, 2026.

Disclosure of relationships between directors inter-se

Dr Y K Hamied and Mr Kamil Hamied are related as uncle and nephew. None of the other directors are related to each other.

Remuneration to Non- Executive directors[16]

I. Payment of sitting fees

The non- executive directors are entitled to receive sitting fees of ₹ 1,00,000/- per meeting for attending the board meetings and ₹ 50,000/- per meeting for attending the board committee meetings (except the Operations and Administrative Committee) board committee. The sitting fee is paid immediately after the respective Board and Board Committee meeting meeting to those directors who have attended the meetings.

II. Payment of remuneration

Pursuant to the statutory provisions and the shareholder resolution passed at the 82nd Annual General Meeting ('AGM'), non-executive directors are eligible to receive remuneration of up to 1% of the Company's annual net profit, calculated as per the provision of Section 198 of the Act.

The Policy for Payment of Remuneration to Non-Executive Directors including Independent Directors is available on the website of the Company at https://www.cipla.com/sites/default/files/2024-09/Policy_for_Payment_of_Remuneration_to_Non-Executive_Directors_including_Independent_Directors.pdf. The Policy provides for payment of remuneration to the Non-Executive Director including the Independent Directors in the following manner:

➢ **Commission to Independent Directors**

- Fixed commission of ₹ 70 lacs p.a.
- Additional commission of ₹ 10 lacs p.a. to the Lead Independent Director
- Additional commission of ₹ 14 lacs p.a. to the Non-Resident Directors
- Additional commission of ₹ 10 lacs p.a. to the chairpersons of the Audit Committee, the Nomination and Remuneration Committee and the Investment and Risk Management Committee (payable separately for each Committee).
- Additional commission of ₹ 5 lacs p.a. to the members of the Audit Committee, the Nomination and Remuneration Committee and the Investment and Risk Management Committee (payable separately for each Committee).

➢ **Commission to Non-Executive and Non-Independent Directors**

- Fixed commission of ₹ 2.5 crores p.a.

➢ **Sitting Fees**

- ₹ 1 lac per board meeting.
- ₹ 50,000/- per committee meeting for all Board Committees (except Operations and Administrative Committee).

During the financial year, the non-executive directors did not have any pecuniary relationship or transactions with the Company, except payment of director's remuneration, reimbursement of expenses and a nonmaterial rental arrangement, as disclosed in note no. 40 of the standalone financial statements.

The Company engages M/s Veritas Legal, a law firm of which Mr Abhijit Joshi is the Founding and Managing Partner, on various legal matters. The fees paid to M/s Veritas Legal is not a significant portion of their revenue. Details of this transaction has been duly disclosed in the Statement of Related Party Transactions submitted to the Stock Exchanges, in accordance with Regulation 23 of the SEBI Listing Regulations and are also available on the Company's website at https://www.cipla.com/sites/default/files/RPT%20Cover%20letter%20March%202025_signed.pdf

During the year, none of the independent directors had any pecuniary relationship or transactions with the Company, except payment of directors' remuneration from the Company or its subsidiaries and reimbursement of expense on actuals.

[16]GRI 2-19 and GRI 2-20

The details of remuneration to directors (on a consolidated basis) during FY 2024-25 are given below:

(₹ in crores)

Directors [1]	**Sitting Fees**	**Salary**	**Commission**	**Perquisites**	**Allowances**	**Variable Bonus**	**Retiral benefits and others**	**Total**
Dr Y K Hamied	0.07	-	2.50	-	-	-	-	2.57
Mr M K Hamied[2]	0.05	-	1.45	-	-	-	-	1.50
Ms Samina Hamied[3]	0.06	-	5.45	-	-	-	-	5.51
Mr Umang Vohra								
• Cipla Limited	-	1.95	-	7.53[5]	2.29	5.46	0.30[6]	23.89
• Cipla USA Inc[4]	-	6.36	-	-	-	-	-	
Mr Abhijit Joshi[7]	0.06	-	1.44	-	-	-	-	1.50
Mr Adil Zainulbhai[8]	0.09	-	2.10	-	-	-	-	2.19
Mr Ashok Sinha[9]								
• Cipla Limited	0.05	-	0.65	-	-	-	-	0.79
• Cipla (EU) Limited[4]	0.09	-	-	-	-	-	-	
Dr Balram Bhargava[10]	0.14	-	0.75	-	-	-	-	0.89
Mr Kamil Hamied[11]	0.04	-	1.03	-	-	-	-	1.07
Dr Mandar Vaidya	0.12	-	0.78	-	-	-	-	0.90
Ms Maya Hari[12]	0.05	-	0.39	-	-	-	-	0.44
Mr P R Ramesh	0.13	-	0.90	-	-	-	-	1.03
Ms Punita Lal[13]	0.05	-	0.87	-	-	-	-	0.92
Mr Robert Stewart								
• Cipla Limited	0.10	-	0.99	-	-	-	-	1.51
• InvaGen Pharmaceuticals Inc.[4]	-	-	0.36	-	-	-	-	
• Cipla USA Inc[4]	0.02	-	-	-	-	-	-	
• Cipla (EU) Limited[4]	0.04	-	-	-	-	-	-	
Mr S Radhakrishnan[14]	0.08	-	1.57	-	-	-	-	1.65
Ms Sharmila Paranjpe[15]	0.10	-	0.46	-	-	-	-	0.56

[1]All the directors are entitled to reimbursement of reasonable expenses incurred during the performance of their duty as a director.

[2]Resigned as Non-Executive Director w.e.f. close of business hours of 29th October, 2024.

[3]Resigned from the position of Executive Vice Chairperson w.e.f. close of business hours of 31st March, 2024 while continuing as Non-Executive Director. Resigned as Non-Executive Director w.e.f. close of business hours of 29th October, 2024.

[4]Remuneration from foreign subsidiaries includes USD equivalent to (₹) paid to the director.

[5]Includes Perquisite value of stock options exercised during the year.

[6]Exclusive of provision for leave encashment and contribution to the approved Group Gratuity Fund, which are determined on an overall basis.

[7]Appointed as Non-executive Director w.e.f. 3rd September, 2024.

[8]Retired as Independent Director w.e.f. close of business hours of 2nd September, 2024 and appointed as Non-Executive Director w.e.f. 3rd September, 2024.

[9] Retired as Independent Director w.e.f. 3rd September, 2024.

[10]Appointed as Independent Director w.e.f. 1st April, 2024.

[11]Appointed as Non-Executive Director w.e.f. 1st November, 2024.

[12]Appointed as Independent Director w.e.f. 1st November, 2024.

[13]Retired as Independent Director w.e.f. 13th November, 2024.

[14]Retired as Non-Executive Director w.e.f. conclusion of 88th AGM held on 20th August, 2024.

[15]Appointed as Independent Director w.e.f. 1st September, 2024.

Board Committees

As on 31st March, 2025, the composition of the Board Committees were as follows:

Audit Committee

1. Mr P R Ramesh, ID, Chairperson
2. Dr Balram Bhargava, ID
3. Ms Maya Hari, ID
4. Ms Sharmila Paranjpe, ID

Nomination and Remuneration Committee

1. Dr Mandar Vaidya, ID, Chairperson
2. Mr Adil Zainulbhai, NED
3. Mr Kamil Hamied, NED
4. Ms Maya Hari, ID
5. Mr Robert Stewart, ID
6. Ms Sharmila Paranjpe, ID

Stakeholders Relationship Committee

1. Dr Mandar Vaidya, ID, Chairperson
2. Mr Adil Zainulbhai, NED
3. Dr Balram Bhargava, ID

Corporate Social Responsibility Committee

1. Dr Balram Bhargava, ID, Chairperson
2. Mr Adil Zainulbhai, NED
3. Ms Sharmila Paranjpe, ID
4. Mr Umang Vohra, MD & GCEO

Investment and Risk Management Committee

1. Mr Robert Stewart, ID, Chairperson
2. Mr Abhijit Joshi, NED
3. Mr Kamil Hamied, NED
4. Mr P R Ramesh, ID
5. Mr Umang Vohra, MD & GCEO

Operations and Administrative Committee

1. Mr Umang Vohra, MD & CEO, Chairperson
2. Mr Adil Zainulbhai, NED
3. Mr Kamil Hamied, NED

The composition of the Board Committees meets the requirements of the Act and the SEBI Listing Regulations. During the year, the composition of the board committees was reconstituted, and details of the reconstitution have been provided in Annexure B.

These Committees deal with specific areas/activities as mandated by the statutory requirements or as delegated by the Board. The terms of reference of the Committees define its composition, meeting and quorum, role and responsibility, and power. The detailed terms of reference of the Board committees are available on the Company's website in the form of Charters at https://www.cipla.com/about-us/board-directors/committees-board.

The board committees have power to obtain professional advice from external sources and have full access to Company's records.

Generally, the committee meetings are held prior to the Board meeting and the Chairperson of the respective Committees brief the Board about the deliberations and decisions taken by the Committees. The recommendations of the Committees are also submitted to the Board for its consideration. During the year, all recommendations of all the Committees were accepted by the Board.

Audit Committee

Fully Independent

9 meetings

4 members

Average attendance 93%

Composition

The Audit Committee is fully independent and comprises four members. The Committee is chaired by Mr P R Ramesh and has Dr Balram Bhargava, Ms Maya Hari and Ms Sharmila Paranjpe as its members.

The Company Secretary acts as the secretary to the Committee.

Brief description of the terms of reference:

The brief terms of reference of the Committee are as follows:

i. Review the accuracy, integrity and comprehensiveness of the Company's financial statements and ensure adequate and timely disclosure;

ii. Recommend the terms of appointment and remuneration of auditors, and review their performance;

iii. Oversee the monitoring and reporting of security trading and handling of Unpublished Price Sensitive Information related to the Company or its securities, in accordance with applicable statues;

iv. Approve the internal audit plans and review internal audit reports;

v. Review statutory audit reports, limited review reports, and other reports in accordance with applicable statues;

vi. Recommend the appointment of Chief Financial Officer;

vii. Recommend quarterly/annual financial results and financial statements and related matters;

viii. Approval and review of Related Party Transactions; and

ix. Review the utilisation of funds raised through various capital issues, including deviations from stated purposes, and examine monitoring agency reports to recommend appropriate actions to the Board.

The detailed terms of reference of the Committee is available on the Company's website in form of Charter at https://www.cipla.com/sites/default/files/2024-08/Charter_of_the_Audit_Committee.pdf.

As per the terms of reference, the Committee reviewed the compliance status of its charter (i.e. its roles and responsibilities) and noted that it has comprehensively covered all the responsibilities assigned to it under the charter.

Meeting:

The Committee met nine times during the financial year. In compliance with the SEBI Listing Regulations, the gap between the two meetings was not more than 120 days. Information about the attendance of members at these meetings have been provided in Annexure B.

As a practice before the regular quarterly meetings for approval of the results, pre-audit committee meetings are held to discuss the key accounting matters, internal audit reports, update on internal financial controls, material legal matters, report on vigil mechanism, POSH, etc. These pre-audit meetings help the Committee to optimise it's time to discuss and review the quarterly financial results in the main meeting.

Audit Committee Report:

Dear Members,

I am pleased to present the Audit Committee report for the year ended 31st March, 2025:

I. Constitution and Charter

The composition of the Committee is compliant with statutory requirements. The Committee held sufficient number of meetings and spent sufficient time discharging its responsibilities. The Committee's composition, terms of reference, meetings, attendance, and other relevant details have been disclosed in the relevant section of the Report on Corporate Governance, in compliance with the applicable statutory requirements.

As part of its annual review, the Committee evaluated its charter and confirmed that all responsibilities were comprehensively addressed.

II. Key matters taken up by the Committee during the year

The following matters were *inter-alia* considered during the FY 2024-25:

Sr. no.	Items placed	May	July	October	January
1	Financial results and other related matters	✓	✓	✓	✓
2	Annual financial statements and other related matters	✓			
3	Cost statements of previous financial year		✓		
4	Financial statements of subsidiaries		✓		
5	Internal Audit plan and adequacy of internal audit function				✓
6	Internal Audit Report including coverage, audit observations and management action plan.	✓	✓	✓	✓
7	Internal Financial Controls including action / mitigation plan for the controls which require improvements	✓	✓	✓	✓
8	Report on Vigil Mechanism, POSH and Data Integrity	✓	✓	✓	✓
9	Performance evaluation of internal and statutory auditors	✓			
10	Appointment of Auditors	✓			✓
11	Statutory auditor remuneration to the Board and approval of non-audit services	✓			✓
12	Statutory Auditor's Report and presentation i. Scope of audit ii. Accounting and auditing matters discussed with management iii. Audit procedures and outcome of significant financial statement line items iv. Summary of unrecorded adjustments v. Internal control matters vi. Information technology and automated controls testing vii. Key accounting matters ('KAMs') determination	✓	✓	✓	✓
13	KAMs	✓	✓	✓	✓
14	Material legal matters and compliance certificate	✓	✓	✓	✓
15	Related party transactions	✓	✓	✓	✓
16	Report on compliances of Cipla PIT Code	✓	✓	✓	✓
17	Significant transactions / arrangements of subsidiaries	✓			
18	Loan / advances / investments to the subsidiaries and by the subsidiaries and its utilisation.	✓	✓	✓	✓
19	Compliance status of the charter				✓
20	Performance evaluation report of the Committee				✓

III. Financial results and statements:

The management is responsible for the preparation of the standalone and consolidated financial results/ statements, financial reporting process and the Company's internal financial controls. The Committee reviews and recommends to the Board the financial results/ statements.

The financial results/statements are prepared in accordance with the applicable provisions of the Act, the SEBI Listing Regulations, and the Indian Accounting Standards. The accounting policies are consistent, and the judgments and estimates are reasonable and prudent so as to give true and fair view of the state of affairs of the Company. The financial statement are prepared on a going concern basis and adequate internal financial controls are followed by the Company.

The Statutory Auditors have identified the following Key Accounting Matters for FY 2024-25. The Audit Committee discussed these matters with the management and the Statutory Auditors.

- Ongoing Litigation under DPCO 1995 : The Committee reviewed the update on litigation, Global Chief General Counsel's opinion and Company's disclosures under Ind AS 37 and concluded that the management's accounting treatment and disclosures were reasonable and appropriate.

- Impairment of the goodwill and intangible assets : The Committee reviewed management's impairment process, including Cash Generating Units ('CGU') identification, and concluded that the assessments were reasonable and the disclosures were compliant of the requirements of Ind AS 36.
- Recognition of revenue from operations : The Committee reviewed estimates, trends and controls, particularly in the US market. It received regular updates and concluded that revenue was recorded appropriately and that the recognition and measurement were in compliance with applicable standards.

The Committee discussed the financial results/ statements with the Statutory Auditor and relied on their report and financial expertise of the management, while using its best judgement.

The Committee believes that the financial results/ statements provide true and fair view of the state and affairs of the Company.

IV. Statutory Auditors:

The Committee met various potential prospects for appointment as new statutory auditors to succeed M/s Walker Chandiok & Co. LLP who would be completing their statutory term at the 90th Annual General Meeting ('AGM').

The Audit Committee receives regular updates from the Statutory Auditors and management on performance across audit quality indicators, which provides wider visibility of ongoing and emerging issues.

The Committee evaluated the performance of the Statutory Auditors, while ensuring their independence and was generally satisfied.

The Statutory Auditors were responsible for independent audit including the audit strategy covering the nature, scope and length of audit. The Statutory Auditors discussed with the Committee the statutory audit plan, audit findings, financial reporting process, overall quality of the financial reporting and compliances and were satisfied with the Company's functioning in this regard. There is no qualification, reservation or adverse remark or disclaimer in the Statutory Auditors' Report for FY 2024-25.

The Statutory Auditors use digital tools and solution to improve the audit quality and effectiveness.

The audit partner attends all Committee meetings, and the Audit Committee Chair maintains regular contact with the audit partner and his team throughout the year.

The independent directors met the Statutory Auditors without presence of the management and noted that the auditors were satisfied with the audit process, access to the management records and its engagement with the management.

V. Non-Audit Services:

The Committee also approved in advance the non-audit services which could be availed from the Statutory Auditors. The Committee ensured that such services did not affect the independence of the auditor in any manner and were either mandatorily required to be availed from the Statutory Auditors or were in the best interests of the Company and was permissible under the applicable laws.

During the year 2024-25, the Cipla Group (listed company and all subsidiary companies) availed the tax audit and certifications related non audit services from M/s Walker Chandiok & Co. LLP, Statutory Auditors.

(₹ in crores)

Particulars	FY 2024-25	FY 2023-24
Total auditor remuneration paid	8.30	6.26
Fees paid for non-audit Services (inclusive in above)	0.64	0.52
Percentage of non-audit fees to total remuneration paid	7.71%	8.31%

All non-audit services were carried out within delegated limits and criteria set by the Audit Committee.

VI. Cost and Secretarial Auditors:

The Committee reviewed the Cost Audit Report for FY 2023-24 and the Secretarial Audit Report for FY 2024-25. Details regarding the Cost Auditors and the Secretarial Auditors forms part of the "Board's Report" section of the Integrated Annual Report.

VII. Internal Auditors:

The Chief Internal Auditor is responsible for the internal audit and testing of internal controls and procedures. For financial year 2024-25, the Chief Internal Auditor prepared the risk-based audit plan in consultation with the management for the entire Cipla and its subsidiaries. The Plan was approved by the Audit Committee at the beginning of the financial year. The Internal Audit coverage included audits of the business and functional processes, controls, compliances, operations, etc. The Chief Internal Auditor conducted internal audits based on the approved plan and submitted his report together with management comments on quarterly basis to the Committee. The Internal Audit Reports were discussed, in the presence of the functional owner who responded the queries and explained the corrective action plan.

The audit observations were rated based on their severity and repetitive observations were highlighted. The Committee also reviewed the scope of the internal audit, audit methodology and structure of internal audit team, risk grading criteria for audit observations and found it to be adequate considering the Company's scale of operations.

Alongside the continuous emphasis on process and controls, the key risk themes for audit coverage in FY 2025-26 will include: financial, operational, compliance, information technology & cyber security, reputation, employee/public health & safety, efficiency, leakage and quality. High focus areas for FY 2025-26 are: environment, health & safety, statutory compliances, sales & marketing spend, plant operations, distribution, capex & engineering spends, quality, demand & supply planning & inventory management, ethical marketing practices, cyber security & IT general controls, data privacy and R&D spends.

Internal Auditors maintained a close collaboration with the Statutory Auditors, kept them informed of its activities and findings. The Statutory Auditor was given access to all internal audit reports and supporting documentation.

The Committee also evaluated with the management, the performance of the Chief Internal Auditor and was satisfied with his performance.

VIII. Internal Controls and Internal Financial Controls

The internal controls were tested by the Internal Auditors to assess the design, implementation, and operating effectiveness of management's processes. The Committee discussed the status of internal controls with the management and noted that the internal controls were operating effectively. The Committee also noted the improvement and maturity journey of these controls.

The Committee reviewed the internal financial controls to ensure that the Company's accounts were properly maintained and that the transactions were recorded in the books of accounts in accordance with the applicable accounting standards, laws and regulations. The Audit Committee regularly received updates and confirmations regarding the corrective actions taken to further strengthen the controls within the Company's internal financial control framework. These updates were further supported by reviews conducted by the Internal Audit team and the Statutory Auditors, who offer additional assurance to the Committee on the effectiveness of these controls. The Committee affirms that there was no material weakness in the Company's internal financial control system.

IX. Vigil Mechanism and POSH:

During the year, the Committee reviewed functioning of the whistle blower mechanism and the mechanism for Prevention of Sexual Harassment ('POSH') at the workplace and noted that the complaints received were investigated and appropriate actions were taken/ being taken wherever necessary. No person was denied access to the Chairman of the Audit Committee and the Committee was assured that none of the whistle blowers were victimised. The Committee also reviewed the system for identification and rectification of data integrity concerns and noted that effective mitigation measures were in place.

X. Related Party Transactions:

The Committee (i) approved all related party transactions, as per the Company's Policy on Related Party Transactions ('RPT Policy') and (ii) reviewed the related party transactions entered on a quarterly basis. Majority of the transactions were between the Company and its subsidiaries/associates.

The Committee noted that all the transactions with the related parties were (a) in the ordinary course of business (b) executed at arm's length basis and as per the terms approved by the Audit Committee. The related party transactions were approved by only those members of the Committee, who were independent directors.

There was no material related party transaction during the year. The Policy on Related Party Transactions was amended to incorporate the regulatory changes and to align the Policy with industry best practices.

XI. Utilisation of loans and capital contributions:

To ensure adequate internal controls, the Committee reviewed utilisation of capital contributions and loans by the Company and its subsidiaries. The funds were used for the purposes for which it were given. None of the loans were given to the Directors, Key Managerial Personnel ('KMP') or the entities in which such Directors or KMPs were interested.

XII. Prevention of Insider Trading:

To ensure compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has implemented a comprehensive 'Code of Conduct for Prevention of Insider Trading' ('Code'). The Monitoring Committee comprising of the Managing Director & Global Chief Executive Officer, Global Chief Financial Officer, Global Chief People Officer, Company Secretary is responsible for putting in place adequate and effective system of internal controls to ensure compliance with the requirements given in these regulations.

The Monitoring Committee submitted its reports on the Compliance of the Code on quarterly basis to the Chairman of the Audit Committee, the Audit Committee, and the Board. The Reports confirmed that during the year 2024-25 the Company (i) was generally compliant with no major non-compliances of the provisions of the Code and the SEBI PIT Regulations, (ii) had maintained Structured Digital Database for all the events which were classified as Unpublished Price Sensitive Information ('UPSI'), instances of non-compliance by employees were addressed as per the provisions of the consequence management guidelines. There were no instances of UPSI leakage during the year. During the year, the Code was amended to incorporate regulatory changes.

XIII. Adequacy of resources:

The Committee has been vested with adequate powers to seek support from the resources in the Company. It has access to the relevant information and records as well as the authority to obtain professional advice from external sources, if required.

XIV. Performance evaluation:

The Committee reviewed its performance evaluation report and was satisfied with its performance during the year.

Date: 12th May, 2025
Place: Hyderabad

P R Ramesh
Chairman- Audit Committee

Nomination and Remuneration Committee

Independent Chairman

4 meetings

6 members

Average attendance 89%

Composition

The Nomination and Remuneration Committee ('NRC Committee') comprises of six non-executive directors, of whom four members including the Chairperson are independent directors and two are non-executive directors. The NRC Committee is chaired by Dr Mandar Vaidya and has Mr Adil Zainulbhai, Mr Kamil Hamied, Ms Maya Hari, Mr Robert Stewart and Ms Sharmila Paranjpe as its members.

The Company Secretary acts as the secretary to the Committee.

Brief description of the terms of reference:

The brief terms of reference of the NRC Committee are as follows:

i. Review and recommend the policy and matters related to the remuneration of directors, Key Managerial Personnels (KMPs), Senior Management Personnels (SMPs) and other employees;

ii. Formulate criteria for determining qualifications, positive attributes and independence of Directors as well as for the performance evaluation of Directors, Board and Board Committees;

iii. Recommend the appointment, continuation and removal of directors, KMPs, SMPs based on the identified criteria;

iv. Oversee implementation, administration and supervision of shares-based incentive schemes approved by the shareholders;

v. Review key human resource related matters;

vi. Oversee leadership development and succession planning; and

vii. Review and recommend the governance practices and Company's Report on Corporate Governance to the Board.

The detailed terms of reference of the Committee is available on the Company's website in form of Charter at https://www.cipla.com/sites/default/files/Charter_of_the_Nomination_and_Remuneration_Committee.pdf.

As per the terms of reference, the Committee reviewed the compliance status of its charter (i.e. its roles and responsibilities) and noted that it has comprehensively covered all the responsibilities assigned to it under the charter.

Meeting

The Committee met four times during the year. Information about the attendance of members at these meetings have been provided in Annexure B.

The MD & GCEO and the Global Chief People Officer are permanent invitees at the NRC Committee meetings.

Nomination and Remuneration Committee Report

Dear Members,

I am pleased to present the Nomination and Remuneration Committee report for the year ended 31st March, 2025:

I. Constitution and Charter

The composition of the Committee was compliant with statutory requirements. The Committee held sufficient number of meetings and spent sufficient time to discharge its responsibilities. The Committee's composition, terms of reference, meetings, attendance, and other relevant details have been provided in the relevant section of the Report on Corporate Governance, in compliance with the applicable statutory provisions.

As part of its annual review, the Committee evaluated its charter and confirm that all responsibilities were comprehensively addressed.

II. Key matters taken up by the Committee during the year

(i) Due to retirement of some of the independent directors upon completion of their term and resignations resignation / retirement of non-executive directors during the year, board succession planning and filling the vacancies were the critical agenda for the Committee. The NRC Committee Chairperson (Ms Punita Lal) and the Lead Independent Director (Mr Adil Zainulbhai) led the process. The new independent directors were identified on the basis of preidentified eligibility criteria including skills, expertise, diversity, background, etc. The non-independent directors were considered on the basis of nomination from the promoters. The new board members were shortlisted after comprehensive evaluation and positive feedback from all the board members basis their interactions. During the year, Mr Abhijit Joshi, Dr Balram Bhargava, Mr Kamil Hamied, Ms Maya Hari, and Ms Sharmila Paranjpe joined the Board. Mr Ashok Sinha, Ms Punita Lal, and Mr S Radhakrishnan retired from the board upon completion of their term and Mr M K Hamied and Ms Samina Hamied resigned from the Board due to health, and personal/family commitment respectively.

We welcome the newly appointed directors and place on record our sincere appreciation for the outgoing directors for their continued guidance and contributions over the years.

(ii) In light of significant changes in the board composition and to ensure continuity and the benefit of institutionalised learning, Mr Adil Zainulbhai was requested to continue as Non-Executive Director upon completion of his term as an Independent Director. He was appointed as a Non-Executive Director liable to retire by rotation.

(iii) The composition of board committees was reviewed and was suitably updated to ensure an optimal mix of board members based on their expertise and skills and induct newly appointed board members in relevant committees in place of retiring / resigning directors.

(iv) The Committee actively works with the management on building succession plan for the leadership team and develops contingency plans for succession in case of any exigencies. The initiatives around leadership succession pipeline yielded good results, with key positions in Management Council were filled internally. The Company has succession plan in place for its top 30 critical positions including the Management Council members. The Committee is actively working on the succession planning for some of the senior management position including the MD & GCEO, who is due to retire in March 2026.

(v) As part of ongoing efforts to build strong senior management leadership pipeline and enhance focus on operational excellence and execution, Mr Achin Gupta, CEO- India Business was elevated to the role of Global Chief Operating Officer (GCOO). This move reinforces our leadership structure and enable the GCEO to focus more on strategic priorities and long-term growth. All business CEOs, head of manufacturing and supply chain now report to the GCOO and the GCOO reports to the GCEO.

(vi) With a focus on continuous improvement, the Committee reviewed other key strategic HR matters including people cost, talent acquisition, diversity, culture, etc. These efforts played a significant role in shaping Company's work environment and employee experience. The Company continued to demonstrate strong people cost efficiency being one of the best in the Indian pharmaceutical industry. The Company also achieved the prestigious certification as a 'Great Place to Work' in 2025 for the seventh consecutive year.

(vii) The Committee evaluated the MD & GCEO's performance for FY 2024-25 against the approved organisation scorecard. The Committee also finalised the organisation scorecard for FY 2025-26. The performance of Senior Management Personnel (SMPs) and Key Managerial Personnel

(KMPs) was similarly reviewed against approved target. Based on these assessments, the variable pays for 2024-25 was approved and the remuneration of the MD & GCEO, SMPs, and KMPs were also revised with the approval of the Board of Directors.

(viii) During the year, the Company granted 1,22,278 stock options under the Employee Stock Option Scheme 2013-A (Cipla ESOS Scheme 2013- A) and 4,07,798 stock appreciation rights under the Cipla Employee Stock Appreciation Rights Scheme 2021 (Cipla ESAR Scheme 2021) to 88 eligible employees. In order to ensure retention and to reward performance, the Committee also recommended a Performance Based Retention Bonus (PBRB) to select SMP's and KMP's.

(ix) The Committee actively and regularly reviewed the Company's governance practices in line with applicable regulatory changes and leading industry practices and recommended appropriate measures to enhance board effectiveness and strengthen the overall governance framework.

(x) The Committee reviewed its performance evaluation report and was satisfied with its performance in the year.

Date: 12th May, 2025
Place: Bangalore

Dr Mandar Vaidya
Chairman- Nomination and Remuneration Committee

Stakeholders Relationship Committee

Independent Chairman

4 meetings

3 members

Average attendance 83%

Composition

The Stakeholders Relationship Committee ('SRC Committee') comprises of three non-executive directors, of whom two members including the Chairman are independent directors and one is non-executive director. The Committee is chaired by Dr Mandar Vaidya and has Mr Adil Zainulbhai and Dr Balram Bhargava as its members.

The Company Secretary acts as the secretary of the to the Committee.

Brief description of the terms of reference:

The brief terms of reference of the SRC Committee are as follows:

i. Review and recommend mechanism for redressing the grievances of security holders and enhancing the overall quality of investor services;

ii. Approve the investor service requests;

iii. Monitor and review the movement in shareholding patterns and the overall ownership structure;

iv. Oversee and review the engagement initiative with security holders including institutional investors, and identify the actionable points for implementation; and

v. Review measure undertaken by the Company to facilitate effective exercise of voting rights by shareholders, minimize unclaimed dividends, and ensure the timely dispatch of dividend warrants/ annual reports/ statutory notices.

The detailed terms of reference of the Committee is available on the Company's website in form of Charter at https://www.cipla.com/sites/default/files/2024-08/Charter-of-the-Stakeholders-Relationship-Committee.pdf.

As per the terms of reference, the Committee reviewed the compliance status of its charter (i.e. its roles and responsibilities) and noted that it has comprehensively covered all the responsibilities assigned to it under the charter.

Meeting

The Committee met four times during the year. Information about the attendance of members at these meetings have been provided in Annexure B.

Details of investor complaints / grievances

During FY 2024-25, the Company received 23 investor complaints out of which one complaint was outstanding as on 31st Match, 2025. All the requests/complaint of shareholders including pending complaint were satisfactorily resolved within the statutory timeline. Most Investors' complaints / grievances pertained to transmission, updation of KYC details and dividend related matters. The Company has also appointed an independent consultant to assist the Company in effectively resolving the investor grievances / complaints. The consultant ensured adherence to various service standards and standard operating procedures of the Company by the Registrar and Transfer Agent and enhanced overall quality of communication between the shareholders and the Company. Mr Rajendra Chopra, Company Secretary, acts as the Compliance Officer and is responsible for ensuring prompt and effective services to the shareholders and for monitoring the dedicated email address for receiving investor grievances. He is also the Nodal officer for the purpose of compliances under Investor Education and Protection Fund.

Corporate Social Responsibility Committee

Independent Chairman

4 meetings

4 members

Average attendance 73%

Composition

The Corporate Social Responsibility Committee ('CSR Committee') comprises of four directors of whom two members including the Chairman are independent directors, one is non-executive director and one is executive director. The CSR Committee is chaired by Dr Balram Bhargava and has Mr Adil Zainulbhai, Ms Sharmila Paranjpe and Mr Umang Vohra as its members.

The Company Secretary acts as the secretary to the Committee.

Brief description of the terms of reference:

The brief terms of reference of the CSR Committee are as follows:

i. Formulate and recommend the Corporate Social Responsibility Policy ('CSR Policy') and periodically monitor its implementation;

ii. Recommend various CSR projects/programs for approval of the Board, and review and oversee the implementation and progress on the programs/projects adopted by the Company for implementation;

iii. Review and recommend annual report on CSR, Impact Assessment report and other reports as may be required under applicable statues; and

iv. Ensure that the Company meets its statutory CSR obligations.

The detailed terms of reference of the Committee is available on the Company's website in form of Charter at https://www.cipla.com/sites/default/files/2024-08/Charter_of_the_Corporate_Social_Responsibility_Committee.pdf.

As per the terms of reference, the Committee reviewed the compliance status of its charter (i.e. its roles and responsibilities) and noted that it has comprehensively covered all the responsibilities assigned to it under the Charter.

Meeting

The CSR Committee met four times during the year. Information about the attendance of members at these meetings have been provided in Annexure B.

The Managing Trustee – Cipla Foundation, Head – Cipla Foundation, the Global Chief Financial Officer, and Mr M K Hamied, Promoter are permanent invitees at the Committee meetings.

Investment and Risk Management Committee

Independent Chairman — 5 meetings — 5 members — Average attendance 93%

Composition

The Investment and Risk Management Committee ('IRMC' Committee) comprises of five members, of whom two members including the Chairman are independent directors, two are non-executive directors and one is executive director. The Committee is chaired by Mr Robert Stewart and has Mr Abhijit Joshi, Mr Kamil Hamied, Mr P R Ramesh and Mr Umang Vohra as its members.

The Company Secretary acts as the secretary to the Committee.

Brief description of the terms of reference:

The brief terms of reference of the IRMC Committee are as follows:

i. Review and recommend strategic and/or long-term investments, loans, guarantees, acquisitions or divestment by Cipla or by its subsidiaries in any legal entity outside Cipla Group;

ii. Approve and/or recommend purchase, sell or disposal of Intellectual Property Rights or other assets and entering into in-licensing deals valued between ₹ 175 crores or more but upto ₹ 525 crores;

iii. Subject to shareholder approval and statutory limits, approve and/or recommend the sale, lease, or disposal of any undertaking or substantially the whole of undertaking;

iv. Monitor short-term and long-term strategic priorities of the Company;

vi. Review and recommend annual capital expenditure, and monitor key ongoing capex projects;

vii. Oversee implementation of the risk management policy and review enterprise risk management; and

viii. Review and recommend ESG and Sustainability initiatives and reporting as may be required under various statues.

The detailed terms of reference of the Committee are available on the Company's website in form of Charter at https://www.cipla.com/sites/default/files/Charter_of_the_Investment_and_Risk_Management_Committee.pdf.

As per the terms of reference, the Committee reviewed the compliance status of its charter (i.e. its roles and responsibilities) and noted that it has comprehensively covered all the responsibilities assigned to it under the charter.

Meeting

The Committee met five times during the year. Information about the attendance of members at these meetings have been provided in Annexure B.

The Chief Internal Auditor and the Global Head of Quality are permanent invitees at the IRMC Committee meetings.

Operations and Administrative Committee

Composition

The Operations and Administrative Committee ('OAC Committee') comprises of three directors of whom the Chairman is executive director and two are non-executive directors. The OAC Committee is chaired by Mr Umang Vohra and has Mr Adil Zainulbhai and Mr Kamil Hamied as its members.

The Company Secretary acts as the secretary to the Committee.

Brief description of the terms of reference:

The brief terms of reference of the OAC Committee are as follows:

i. Oversee treasury related matters of the Company;

ii. Issue, allot, and seek listing of equity shares on one or more stock exchanges pursuant to the Company's sharebased incentive schemes;

iii. Nominate director / representative on the subsidiaries, joint ventures and associates and to approve and vote on all resolutions of the Companies, body corporates or entities or bodies, where the Company is a shareholder or member and where specific shareholder resolution is required; and

iv. Provide authorisation pertaining to routine administrative and operational matters within the limits approved by the Board.

The detailed terms of reference of the OAC Committee is available on the Company's website in form of Charter at https://www.cipla.com/sites/default/files/2024-10/charter_of_the_operations_and_administrative_committee.pdf.

Meeting

During the year, the Committee considered and decided all the matters through circular resolutions and did not have any meeting.

Policies / Codes

In accordance with Company's philosophy of adhering to the highest standards of ethical business and corporate governance and to ensure fairness, accountability, responsibility and transparency to all stakeholders, the Company, *inter-alia*, has the following policies and codes in place. All the policies have been uploaded on the website of the Company.[17]

Sr No.	Name of the Policy	Website Link
1	Anti-Bribery and Anti-Corruption Policy	https://www.cipla.com/sites/default/files/2019-06/1553587868_Anti-Bribery-and-Anti-Corruption-Policy.pdf
2	Anti-Trust and Fair Competition Policy	https://www.cipla.com/sites/default/files/2019-06/1553587611_Anti-Trust-and-Fair-Competition-Policy.pdf
3	Archival Policy	https://www.cipla.com/sites/default/files/2025-01/Archival-Policy.pdf
4	Cipla UK Tax Strategy 2023	https://www.cipla.com/sites/default/files/2023-08/Cipla-UK-Tax-Strategy-2023.pdf
5	Code of Conduct	https://www.cipla.com/sites/default/files/1530274684_Cipla---Code-of-Conduct-FC.PDF.pdf
6	Code of Conduct for Prevention of Insider Trading	https://www.cipla.com/sites/default/files/2025-06/Code-of-Conduct-for-Prevention-of-Insider-Trading.pdf
7	Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information	https://www.cipla.com/sites/default/files/2024-09/Code_of_fair_disclosures_of_unpublished_price_sensitive_information.pdf
8	Conflict of Interest Policy	https://www.cipla.com/sites/default/files/2019-06/1554391523_1530187477_Conflict%20of%20Interest%20Policy%20-%20V1%20fc.pdf
9	Corporate Responsibility Policy	https://www.cipla.com/sites/default/files/2019-01/Corporate%20Responsibility%20Policy.pdf
10	Corporate Social Responsibility Policy	https://www.cipla.com/sites/default/files/2023-05/Corporate-Social-Responsibility-Policy.pdf
11	Data Privacy Management Policy	https://www.cipla.com/sites/default/files/2023-07/Data-Privacy-Management-Policy.pdf
12	Dividend Distribution Policy	https://www.cipla.com/sites/default/files/2023-05/Dividend-Distribution-Policy.pdf
13	Environment, Health and Safety (EHS) Policy	https://www.cipla.com/sites/default/files/2023-07/EHS-Policy-2023.pdf
14	Equal Opportunity Policy	https://www.cipla.com/sites/default/files/2023-07/Equal-Opportunity-Policy.pdf
15	Human Rights Policy	https://www.cipla.com/sites/default/files/2023-07/Human-Rights-Policy.pdf
16	Investor Servicing and Grievance Redressal Policy	https://www.cipla.com/sites/default/files/Investor-Servicing-and-Grievance-Redrrssal-Policy.pdf
17	Nomination, Remuneration and Board Diversity Policy	https://www.cipla.com/sites/default/files/2025-02/Nomination-Remuneration-and-Board-Diversity-policy.pdf
18	Policy for Determination of Materiality of Events or Information	https://www.cipla.com/sites/default/files/2025-03/Policy-for-determination-of-materiality-of-events.pdf
19	Policy for determining Material Subsidiaries	https://www.cipla.com/sites/default/files/2025-03/Policy-for-determining-material-subsidiary_0.pdf

[17] GRI 2-23

Sr No.	Name of the Policy	Website Link
20	Policy for Payment of Remuneration to Non-Executive Directors including Independent Directors	https://www.cipla.com/sites/default/files/2024-09/Policy_for_Payment_of_Remuneration_to_Non-Executive_Directors_including_Independent_Directors.pdf
21	Policy for Preservation of Documents	https://www.cipla.com/sites/default/files/2025-01/Policy-for-Preservation-of-Documents.pdf
22	Policy on Prevention of Sexual Harassment at Workplace	https://www.cipla.com/sites/default/files/1558508425_POSH-%20Cipla.pdf
23	Policy on Related Party Transactions	https://www.cipla.com/sites/default/files/2025-03/Policy-on-Related-Party-Transaction_clean.pdf
24	Responsible Sourcing Policy	https://www.cipla.com/sites/default/files/2024-08/Responsible-Sourcing-Policy.pdf
25	Risk Management Policy	https://www.cipla.com/sites/default/files/Risk-Management-Policy.pdf
26	Supplier Code of Conduct	https://www.cipla.com/sites/default/files/SSCM%20Code%20of%20Conduct-Final_1.pdf
27	Supply Chain Management Sustainability Policy	https://www.cipla.com/sites/default/files/SSCM%20Policy-Final_1.pdf
28	Whistle Blower Policy	https://www.cipla.com/sites/default/files/2023-05/Whistle-Blower-Policy.pdf

Particulars of Senior Management Personnel ('SMP')

In accordance with applicable provisions of the SEBI Listing Regulations, the SMPs of the Company as on 31st March, 2025 including the changes in the SMPs since the close of the previous financial year is as follows:

Sr No.	Employee name	Designation	Total working experience (In years)
1.	Achin Gupta	Global Chief Operating Officer	24
2.	Ashish Adukia	Global Chief Financial Officer	25
3.	A S Kumar	Global General Counsel	40
4.	Deepak Viegas	Chief Internal Auditor	34
5.	Geena Malhotra(1)	Global Chief Technology Officer	40
6.	Heena Kanal	Chief Corporate Communication	28
7.	Jaideep Gogtay	Global Chief Medical Officer	35
8.	Jasdeep Singh(2)	Global Chief Strategy Officer and Chief of Staff	20
9.	Rajeev Kumar Sinha(3)	Global Chief Manufacturing Officer	36
10.	Rajendra Chopra	Company Secretary & Compliance Officer	27
11.	Raju Mistry	Global Chief People Officer	33
12.	Sanjay Varughese Joseph(4)	Head - API Business	29
13.	Sneha Hiranandani(5)	Chief Information Officer	36
14.	Swapn Malpani	CEO - Emerging Markets and Europe	30
15.	Venkata Sai Mungara	Global Head Supply Chain	29
16.	Vijayasarathi R	Global Head of Quality	31

(1)Retired as Global Chief Technology Officer and SMP w.e.f. close of business hours on 31st May, 2024.

(2)Resigned as Chief Strategy Officer and Chief of Staff, and SMP w.e.f. close of business hours on 31st May, 2024

(3)Appointed as SMP w.e.f. 1st April, 2024 and ceased to be SMP w.e.f. close of business hours on 2nd April, 2025

(4)Appointed as SMP w.e.f. 1st June, 2024

(5)Appointed as SMP w.e.f. 26th July, 2024

Code of Conduct

Members of the Board and the SMPs have affirmed compliance with the Code of Conduct for the financial year ended 31st March, 2025. A declaration to this effect signed by Mr Umang Vohra, MD & GCEO, forms part of the report.

Whistle Blower Policy/ Vigil Mechanism

The Code of Conduct also has a Whistle-Blower Policy that applies to employees, board members, contractors, consultants, trainees, service providers of the Company and its subsidiaries, affiliates, group companies and persons or entities contractually obligated across the globe. It contains a reporting mechanism, the manner in which all reported concerns are dealt with, confidentiality of the investigations and processes, protection of the whistle-blower against any retaliation and guidelines for retention of records.[18]

An Ethics Committee comprising of the Global Chief People Officer as Chairperson, the Global Chief Financial Officer, the Global General Counsel and the Chief Internal Auditor as members, investigate whistle blower complaints.

The Audit Committee oversees the functioning of the vigil mechanism and receives a report on the incidents and actions taken by the Ethics Committee on quarterly basis. The members, employees and external stakeholders can report their genuine concerns either in writing or by email to the Chairperson of the Ethics Committee or to the Chief Internal Auditor at ethics@cipla.com. The whistle blower can also approach the Chairperson of the Audit Committee at audit.chairman@cipla.com, whenever required.

During the year, the Company received 86 complaints (excluding 12 complaints which were carried forward from FY 2023-24). Of the total 98 complaints, 87 were resolved and for the balance 11 complaints, investigations were underway as on the date of this report. No person has been denied access to the Chairman of the Audit Committee.

Code on Prevention of Insider Trading

In compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 ('PIT Regulations'), the Company has in place Code of Conduct for Prevention of Insider Trading ('Code'). The Code, inter alia, lays down the procedures to be followed by the employees covered by the Code and their Immediate relatives while dealing in the Company's securities, handling the Unpublished Price Sensitive Information, prohibited transactions, role and responsibilities of the employees covered by the Code, the Compliance Officer, the Human Resource Department and the Monitoring Committee.

Monitoring Committee comprising of the MD & GCEO, the GCFO, the Global Chief People Officer and the Compliance Officer, is in place to monitor and administer the compliance of the Code. The Committee reports to the Audit Committee and strives to meet atleast once in every quarter before the Audit Committee meetings. During FY 2024-25, the Committee met four times and submitted its report to the Chairman of the Audit Committee, the Audit Committee and the Board of Directors.

In case of any non-compliance of the Code by any employee covered by the Code or their Immediate Relatives, actions were taken as per the Consequence Management Guidelines. Monetary penalties imposed under the Guidelines were deposited with the SEBI Investor Protection and Education Fund. All incidents of non-compliances were reported to the Stock Exchanges.

To create awareness amongst Designated Persons various initiatives viz. online training, self-assessment test, informative e-mails, in-person training and interactive sessions were organised.

An annual internal audit on compliance of the PIT Regulations and the Code was conducted by the Chief Internal Auditor through an independent firm of Company Secretaries. The audit did not observe any significant non-compliance.

Related Party Transactions

The Company has adopted a Policy on related party transactions ('RPT Policy'). The RPT Policy intends to ensure proper reporting, approval, disclosure processes for all transactions between the Company and its subsidiaries, and their Related Parties.

In accordance with the Company's Related Party Transactions ('RPT') Policy, all RPTs requiring approval, were pre-approved by the Audit Committee. The RPTs entered during the previous quarter were reviewed in subsequent quarter. RPTs in which directors or key managerial personnel were concerned or interested, were additionally preapproved by the Board of Directors and the concerned director abstained from discussion and voting when such transaction was being considered.

All RPTs entered into during the year were at arm's length, in the ordinary course of business, and in accordance with the provisions of the Act and the rules made thereunder, the SEBI Listing Regulations, and the Company's RPT Policy. As a process, routine and repetitive RPTs were approved under omnibus approval process, and the other transactions were approved specifically.

During the year, the Company did not enter into any material RPT and there was no transaction with a related party that had any potential conflict of interests with the Company at large.

[18]GRI 2-16 and GRI 2-26

Monitoring governance of subsidiary

As on 31st March, 2025, the Company had 39 subsidiaries, in India and across the globe. Each subsidiary was managed by its respective Board of Directors or equivalent body.

The Board of Cipla Limited or its duly constituted committees also have oversight on the affairs of the subsidiaries and regularly reviews various information w.r.t. the subsidiary companies, that *inter-alia* includes:

i. Financial statements;

ii. Material developments, financial and operating performance and strategies;

iii. Significant transactions or arrangements entered into by the unlisted subsidiaries;

iv. Utilisation of funds and details of investment and advances by the subsidiaries;

v. Inter-subsidiary related party transactions;

vi. Strategic / long-term investments, loans, guarantees, acquisitions or divestment by subsidiaries outside Cipla Group;

vii. Purchase/sale/ disposal of intellectual property rights or other assets and entering into in-licensing deals by subsidiaries/ associates/joint ventures above certain threshold;

viii. Minutes of the Board and Committees meetings; and

ix. Key internal audit findings.

As required under Regulation 16(1)(c) and 24 of the SEBI Listing Regulations, the Company has adopted a 'Policy on determining Material Subsidiaries'. The policy is available on the website of the Company at https://www.cipla.com/sites/default/files/2025-03/Policy-for-determining-material-subsidiary_0.pdf. In terms of the Policy and based on the financial statements for financial year ended 31st March, 2025, the following subsidiaries continue to qualify as material subsidiaries of the Company.

Name of the material subsidiaries	Regulation reference of the SEBI Listing Regulation	Date of incorporation	Place of incorporation	Name of the statutory auditor	Date of appointment / re-appointment of statutory auditor
Cipla (EU) Limited	24	16th August, 2002	England & Wales	KNAV Limited	8th May, 2024
InvaGen Pharmaceuticals Inc.	16	20th November, 2003	New York, USA	Walker Chandiok & Co LLP	13th March, 2025
Cipla USA Inc.	24	12th September, 2012	Delaware, USA	Walker Chandiok & Co LLP	4th March, 2025

Note: Auditors are appointed/ re-appointed each year.

Mr Robert Stewart, Independent Director of the Company serves as an Independent Director on the board of Cipla (EU) Limited and Cipla USA Inc.

Further, in addition to statutory requirement of appointment of independent director on the board of material subsidiaries, other directors and KMP are also appointed on the Board of material and non-material subsidiary companies for strong oversight.

Compliance management

The Company has adopted a compliance management tool which provides system-driven alerts to the respective owners for complying with the applicable laws and regulations. On quarterly basis, the Global General Counsel submits a certificate confirming compliance with the application laws to the Audit Committee and Board.[19]

Investor Servicing and Grievance Redressal

The SRC has approved an Investor Servicing and Grievance Redressal Policy and Investor FAQs to ensure shareholder delight and redress their grievances. The Investor FAQs covers matters such as transmission of shares, dematerialisation of shares, dividend, IEPF, etc. The Investor FAQs and Investor Grievance Redressal Policy is uploaded on the Company's website under the Corporate Governance tab of the Investors section at https://www.cipla.com/investors/corporate-governance.

Web-based facility

With a view to enhance and improve shareholder experience, KFin Technologies Limited ('KFin'), the Registrar and Share Transfer Agent of the Company, extends online facility for members for posting or tracking a query, checking the

[19] GRI 2-24 and GRI 2-25

dividend status, uploading tax exemptions forms, viewing the demat / remat request, downloading the required ISR forms and checking KYC status for physical folios. Shareholders can access these services by visiting the Investor Service Support webpage at https://kprism.kfintech.com/.

Share transfer system

KFin is the Registrar and Share Transfer Agent of the Company.

The Board has delegated the authority for approving the transmission, transposition, deletion of shares and change of name, etc. to the Company Secretary and the Executive Director. A summary of transactions so approved are placed before the SRC for noting. The matters relating to issuance of Letter of Confirmation in lieu of duplicate share certificate are approved by the SRC.

SEBI vide its circular no. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated 25th January, 2022, has made it mandatory for listed companies to issue shares only in demat form while processing investor service requests viz., issue of duplicate securities certificate, claim from Unclaimed Suspense Account, renewal / exchange of securities certificate, endorsement, sub-division / splitting of securities certificate, consolidation of securities certificates / folios, transmission and transposition. Listed entities/ RTAs are now required to issue a 'Letter of Confirmation' in lieu of the share certificate while processing any of the aforesaid investor service requests.

In cases where the securities holder / claimant fails to submit the demat request to the depository participant within a period of 120 days from the date of issuance of the Letter of Confirmation from RTA / listed companies, the said securities are credited to 'Suspense Escrow Demat Account'. Securities which are moved to 'Suspense Escrow Demat Account' may be claimed by the security holder / claimant by submitting a duly executed Form ISR- 4 and self-attested KYC documents.

In view of the above and to eliminate risk associated with physical shares and to avail various benefits of dematerialisation, shareholders are advised to dematerialise their shares held in physical form.

Unclaimed dividend and transfer of dividend and shares to IEPF

Pursuant to the provisions of the Act, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, ('Rules'), the dividend which remains unclaimed or unpaid for a consecutive period of seven years or more from the date of transfer to the Unpaid Dividend Account of the Company and shares on which dividends are unclaimed or unpaid for a consecutive period of seven years or more are required to be transferred to IEPF. The Company had transferred unclaimed dividend of ₹ 65,06,396/- and 28,340 shares to the IEPF authority within statutory timelines due in FY 2023-24.

Unclaimed dividend for the financial year ended 31st March, 2018 will become due for transfer to the IEPF on 3rd October, 2025.

The status of dividend remaining unclaimed is as follows:

Unclaimed dividend	Status	Whether it can be claimed	Can be claimed from	Actions to be taken
Upto the FY 2016-17	Transferred to the IEPF authority	Yes	File online application in e-form IEPF-5 and send the e-form to the Registered Office of the Company addressed to the Nodal Officer along with complete documents.	IEPF Authority to pay the claim amount to the Shareholder based on the verification report submitted by the Company and the documents submitted by the investor
From FY 2017-18 to FY 2023-24	Amount lying in respective Unpaid Dividend Accounts	Yes	Write to RTA (KFin) from your registered e-mail ID or make a physical application under the registered signature, along with KYC documents.	RTA to verify the application and release the unclaimed dividend.

Shareholders can check the details of any unclaimed shares and unclaimed dividends on the Company's website, www.cipla.com under Unclaimed Data tab in the Investors section.

Details of date of declaration of dividend and due date for transfer to IEPF:

Financial Year	Dividend per share (in ₹)	Date of declaration	Due date for transfer to IEPF
2017-18	3	30th August, 2018	3rd October, 2025
2018-19	3	16th August, 2019	19th September, 2026
2019-20	4*	12th March, 2020	15th April, 2027
2020-21	5	25th August, 2021	28th September, 2028
2021-22	5	26th August, 2022	27th September, 2029
2022-23	8.5	10th August 2023	5th September, 2030
2023-24	13	20th August, 2024	23rd September, 2031

*Interim dividend ₹ 3 and Special dividend ₹ 1.

Shareholder information and communication

Financial Results

During the year, financial results were published in the following newspapers: Business Standard (All editions) and Sakaal (Mumbai edition). The annual/half-yearly/ quarterly results were sent to the stock exchanges and were also displayed on the Company's website – www.cipla.com.

News and media release

The official news and media releases of key events are disseminated to the Stock Exchanges and uploaded on the Company's website.

Earning conference calls and presentations to Institutional Investors / Analysts

The Company organises earnings conference call with analysts and investors after the announcement of financial results. The audio recording and transcript of the earnings call are uploaded on the Company's website as well as filed with the stock exchanges where the securities/GDRs of the Company are listed.

Presentations made to institutional investors and financial analysts are filed with the stock exchanges and uploaded on the Company's website.

Compliance reports, corporate announcements, material information and updates

The Company disseminates the requisite corporate announcements including the SEBI Listing Regulations compliances, shareholding pattern, corporate governance report, financial results, material information, etc., electronically through designated electronic portals of the Stock Exchanges.

Integrated Annual Report

The Integrated Annual Report for FY 2024-25 will be circulated to the members whose email addresses are registered with the Company/National Securities Depository Limited and Central Depository Service (India)/KFin. The Annual Report will also be available on the Company's website at www.cipla.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and on website of NSDL (i.e. www.evoting.nsdl.com).

Website

The Company's website contains a separate section for investors.

The shareholders can access the profiles of Board members, board committees' composition, board committee charters, profile of the Management Council members, Corporate Governance policies, financial information, annual reports, Memorandum and Articles of Association, shareholding information, details of unclaimed dividends and shares transferred / liable to transfer to IEPF, Investor FAQs, etc. on the Company's website.

Other information, such as press releases, stock exchange disclosures and investor presentations are also regularly updated on the Company's website.

Chairman's speech

A copy of the speech to be given by the Chairman at the 89th AGM will be uploaded on the website of the Company.

Designated email ID

We have a designated e-mail ID for investor services: cosecretary@cipla.com.

Other disclosures

i. The Company has complied with the requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters related to capital markets during the last three years and accordingly no penalties or strictures were imposed on the Company by the Stock Exchanges, SEBI or any other statutory authorities.

ii. The securities of the Company were not suspended from trading at any time during the year.

iii. The Company has managed foreign exchange risk with appropriate hedging activities in accordance with the risk management framework of the Company. The Company's approach to managing currency risk is to leave no material residual risk. The Company uses forward exchange contracts and/or options to hedge against its net foreign currency exposures. All material foreign exchange transactions are fully covered. Materially, there are no uncovered exchange rate risks relating to the Company's imports and exports. The Company does not enter into any derivative instruments for trading or speculative purposes. The details of foreign exchange exposures as on 31st March, 2025 are disclosed in note no. 45 to the standalone financial statements.

iv. Total fees for all services paid by the Company and its subsidiaries on a consolidated basis to the Statutory Auditor has been provided in note no. 39 of the consolidated financial statements.

v. The cost of raw materials forms a large portion of the Company's operating expenses. The Company is focused on developing processes/programmes which help in cost-effective procurement of raw materials and which reduces the cost of Active Pharmaceutical Ingredients. Additionally, an Alternate Vendor Development Strategy has been implemented to ensure uninterrupted supply of raw materials and rate benefits. The Company endeavours to monitor the prices of key commodities and formulates procurement strategies based on actual price movements and trends as well as the external regulatory environment and has adequate governance structures in place to align and review procurement strategies with external and internal dynamics. Since the Company has not entered into any derivative contract to hedge exposure from the fluctuations in commodity prices, no disclosure is required pursuant to SEBI circular dated 15th November, 2018.

vi. During the financial year, the Company did not raise funds through preferential allotment or qualified institutional placement in accordance with the Regulation 32(7A) of the SEBI Listing Regulations.

vii. The Company is in compliance with statutory requirements of Corporate Governance as specified in Regulations 17 to 27; clauses (b) to (i) of sub regulation (2) of Regulation 46 and Schedule V of the SEBI Listing Regulations.

viii. A certificate from M/s BNP & Associates, Company Secretaries, confirming that none of the directors were disqualified or debarred from being appointed or continuing as directors of the Company by the SEBI or the Ministry of Corporate Affairs or any other statutory authority is annexed as Annexure C to this report.

ix. During the year, the Board of Directors has accepted all the recommendations of the committees of the Board.

x. Details of the complaints received by the Company under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, during FY 2024-25 are as follows:

Particulars	Number
Number of complaints at the beginning of financial year	1
Number of complaints filed during the year	16
Number of complaints resolved during the year	16
Number of complaints pending as on 31st March, 2025	1

Notes:

(1) The total POSH complaints for FY 2024-25 on consolidated basis across the Company and its subsidiaries, forms part of the BRSR Report.

(2) In line with the statutory provisions all complaints received were investigated and closed within the statutory timelines. The outstanding compliant was resolved on 5th May, 2025.

xi. The Company has not provided any loans and advances to any firms/companies in which Directors are interested.

xii. There were no agreements to be disclosed under clause 5A of paragraph A of Part A of Schedule III of the SEBI Listing Regulations.

xiii. The Company have not transferred any shares to demat suspense account or unclaimed suspense account.

General Meetings

i. The details of last three annual general meetings are as follows:

Financial Year	Meeting	Date & Time	Venue	Special Resolution passed
2021-22	86th AGM	26th August, 2022 at 3.00 p.m.	Video conferencing/ other audio-visual means [Deemed venue: Registered Office of the Company]	To appoint Dr Mandar Purushottam Vaidya as independent director
2022-23	87th AGM	10th August, 2023 at 3.00 p.m.		None
2023-24	88th AGM	20th August, 2024 at 3.00 p.m.		

ii. None of the business proposed to be transacted at the ensuing AGM require passing of resolution through postal ballot.

Postal Ballot

i. During the year, the following special resolutions were passed by the shareholders by way of postal ballot:

Date of Postal Ballot Notice	Special Resolutions passed	Date of approval	No. of votes polled	Votes cast in favour		Votes cast against	
				No of votes	%	No of votes	%
11th April, 2024	To appoint Dr Balram Bhargava as an Independent Director of the Company	16th May, 2024	64,01,53,111	63,83,48,907	99.72	18,04,204	0.28
3rd September, 2024	To appoint Ms Sharmila Paranjpe as an Independent Director of the Company	13th October, 2024	63,79,56,877	63,60,87,506	99.71	18,69,371	0.29
	To appoint Ms Maya Hari as an Independent Director of the Company		63,79,55,382	63,62,96,129	99.74	16,59,253	0.26

ii. The above Postal Ballots were conducted as per the provisions of the SEBI Listing Regulation and the Act, read with the Rules framed thereunder and applicable circulars issued by the Ministry of Corporate Affairs from time to time.

iii. All the above Postal Ballots were conducted by Mr Avinash Bagul of M/s BNP & Associates, Practicing Company Secretary (Membership No. FCS 5578 and Certificate of Practice No. 19862) as the Scrutiniser to scrutinise the e-voting process in a fair and transparent manner.

iv. The voting results of above Postal Ballots are available on our website at https://www.cipla.com/investors/intimation-stock-exchanges

Compliance of discretionary requirements

The Company has complied with following discretionary requirements under Regulation 27(1) of the SEBI Listing Regulations:

i. The auditors have issued an unmodified opinion on the financial statements of the Company;

ii. The Chairman of the Board is a non-executive director and is not related to the MD & GCEO;

iii. The Chief Internal Auditor functionally reports directly to the Audit Committee; and

iv. Instead of the statutory requirement of meeting twice, the Independent Directors pro-actively met four times during the year, without the presence of non-independent directors and management.

Certification by Managing Director & Global Chief Executive Officer ('MD & GCEO') and Global Chief Financial Officer ('GCFO')

The MD & GCEO and the GCFO have certified to the Board on the financial reporting and internal controls as required under Regulation 17(8), read with Part B of Schedule II of the SEBI Listing Regulations. The certification by the MD & GCEO and the GCFO is annexed as Annexure D to this report.

Enhanced disclosures

Cipla has always followed the highest standards of Corporate Governance and has benchmarked its governance and disclosure practices against national and international codes, guidelines and principles. Enhancing the standards of disclosures and transparency, we have voluntarily adopted the following regulations, guidelines and principles:

i. Substantially in compliance with the G-20 OECD Principles of Corporate Governance.

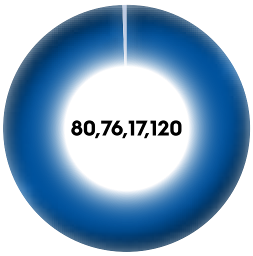
ii. Substantially in compliance with the National Guidelines on responsible business conduct principles issued by the Ministry of Corporate Affairs.

iii. Substantially in compliance with the Global Reporting Initiative (GRI) standards.

iv. For the eighth year in a row, the Annual Report is prepared in accordance with the International Integrated Reporting Council's Integrated Reporting ('IR') framework. To improve its credibility, the Company has obtained an external assurance on the disclosures made under the Integrated Annual Report from M/s DNV Business Assurance India Private Limited.

Dematerialisation of shares and liquidity

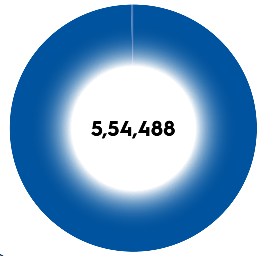
No. of Shares



99.51% 80,36,34,370 Shares I Demat

0.49% 39,82,750 Shares I Physical

No. of Folios



99.99% 5,54,088 Folios I Demat

0.01% 400 Folios I Physical

The equity shares of the Company are liquid and traded in dematerialised form on BSE Limited and National Stock Exchange of India Limited.

General shareholder information

i. Date, Time and Venue of the AGM	Wednesday, 16th July, 2025, at 3.00 p.m. through Video Conferencing ('VC') [Deemed venue: Registered Office of the Company]
ii. Financial Year	1st April to 31st March of the next calendar year
iii. Adoption of Financial Results*	
Q1-FY25: quarter ending 30th June	Friday, 25th July, 2025
Q2-FY25: quarter and half year ending 30th September	Thursday, 30th October, 2025
Q3-FY25: quarter and nine months ending 31st December	Friday, 23rd January, 2026
Q4-FY25: quarter and financial year ending 31st March	Wednesday, 13th May, 2026
iv. Trading window closure for financial results	From the 1st day from close of quarter till the completion of 48 hours after the UPSI becomes generally available.
v. Record Date	27th June, 2025
vi. Dividend and Dividend Payment Date	₹ 13/- per equity share and a special dividend of ₹ 3/- per equity share on the occasion of completing 90 years of the Company, aggregating to ₹ 16/- per equity shares (i.e. 800% on the face value of ₹ 2/-) for FY 2024-25. The Company will endeavour to pay the dividend within 7 working days but not later than 30 days from the date of the ensuing AGM. The payment of dividend will be subject to deduction of tax at source, as applicable, in compliance with the statutory requirements.
vii. Listing on Stock Exchanges	**Equity Shares:** i. Name: BSE Limited Address: Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 ii. Name: National Stock Exchange of India Limited Address: Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051 **Global Depository Receipts ('GDRs'):** Name: Societe De La Bourse De Luxembourg ('Luxembourg Stock Exchange') Address: Societe Anonyme, 35A Boulevard Joseph II, L-1840 Luxembourg. The Company has paid the requisite annual listing fees to the National Stock Exchange of India Limited, BSE Limited and the Luxembourg Stock Exchange.
viii. DR Symbol/CUSIP	CIPLG/1729772095
ix. ISIN Number for NSDL & CDSL	INE059A01026

*Tentative Schedule, subject to change.

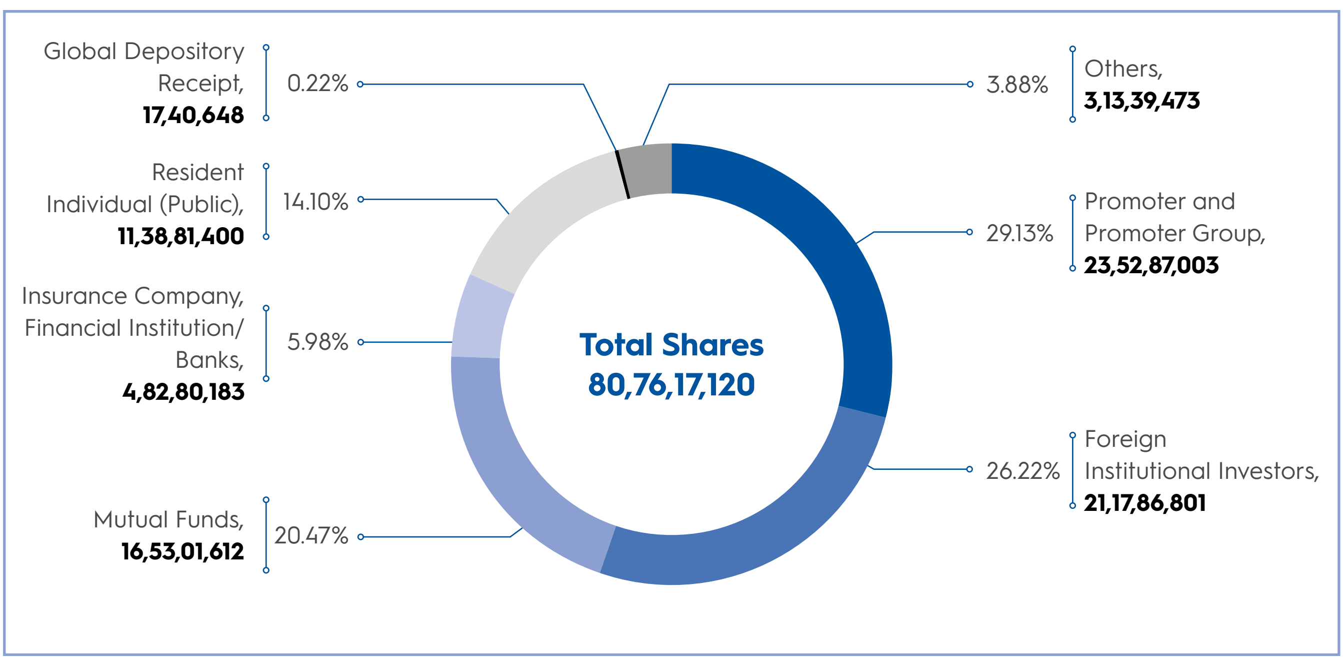
Address for correspondence

Particulars	Contact details	Address
For Corporate Governance, IEPF and other secretarial matters	Mr Rajendra Chopra Company Secretary and Compliance Officer Email: cosecretary@cipla.com	Cipla Limited Cipla House, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai – 400 013 Tel: +91 22 4191 6000 Fax: +91 22 4191 6120
Financial Results/ Financial Statements	Ms Diksha Maheshwari Senior Manager – Investor Relations and GCFO's Office Email: investor.relations@cipla.com	
For Corporate Communication related matters	Ms Heena Kanal Chief Corporate Communication Email: corpcomm@cipla.com	
For shares related matters, dividend, annual report, dematerialisation, KYC updation in case of physical folios etc.	KFin Technologies Limited (Registrar and Share Transfer Agent) Email: einward.ris@kfintech.com	Selenium Tower B, Plot No. 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032, Telangana Tel: +91 40 67162222/79611000

Distribution of shareholding as on 31st March, 2025

Category	No. of folios	% of total folios	No. of shares	% of shares
1 - 5000	5,49,949	99.18	2,74,81,496	3.40
5001 - 10000	1,325	0.24	47,94,430	0.59
10001 - 20000	860	0.16	63,03,321	0.78
20001 - 30000	404	0.07	49,33,770	0.61
30001 - 40000	253	0.05	43,91,866	0.54
40001 - 50000	188	0.03	42,56,257	0.53
50001 - 100000	444	0.08	1,59,39,872	1.98
100001 & Above	1,065	0.19	73,95,16,108	91.57
Total	**5,54,488**	**100**	**80,76,17,120**	**100**

Category-wise shareholding as on 31st March, 2025



Shareholders holding more than 1% of the shares including top 10 shareholders as on 31st March, 2025

Shareholder name	% of holding	Total shares
Dr Y K Hamied	18.64	15,05,21,183
Ms Sophie Ahmed	5.69	4,59,82,000
HDFC Trustee Company Limited-Hdfc Flexi Cap Fund	5.11	4,13,06,993
Life Insurance Corporation Of India	4.15	3,35,07,860
Mr M K Hamied	3.45	2,78,44,320
SBI Nifty 50 Etf	2.79	2,24,92,711
Government Pension Fund Global	2.53	2,04,16,420
DSP Elss Tax Saver Fund	1.90	1,53,45,203
ICICI Prudential Pharma Healthcare And Diaganostics (P.h.d) Fund	1.70	1,37,24,381
Mr Kamil Hamied	1.35	1,09,39,500
NPS Trust A/C Uti Pension Fund Limited-Scheme Stat	1.15	92,88,026
Axis Mutual Fund Trustee Limited A/C Axis Mutual Fund A/C Axis Bluechip Fund	1.13	91,49,687
UTI Nifty 50 ETF	1.05	85,08,595
Kotak Flexicap Fund	1.03	83,04,291
Parag Parikh Flexi Cap Fund	1.02	82,20,813
Vanguard Total International Stock Index Fund	1.00	80,98,012

Outstanding GDRs and Share Based Incentives Scheme

The GDRs are listed on Luxembourg Stock Exchange and the underlying equity shares are listed on BSE Limited and National Stock Exchange of India Limited. Each GDR represents one underlying equity share of the Company. As on 31st March, 2025, 17,40,648 GDRs were outstanding. The Company has not issued any American Depository Receipts (ADRs)/ Warrants/convertible instruments.

During the year, the Company has granted 1,22,278 stock options and 4,07,798 stock appreciation rights to the employees of the Company under Cipla Limited Employee Stock Option Scheme 2013-A ('ESOS 2013-A') and Cipla Employee Stock Appreciation Rights Scheme 2021 ('ESAR 2021') respectively. The Company allots equity shares from time to time upon exercise of stock options and stock appreciation rights by the employees, pursuant to the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended and the terms and conditions of ESOS 2013-A and ESAR 2021'. As on 31st March, 2025, 3,81,837 stock options and 8,36,586 ESARs were outstanding under ESOS 2013-A and ESAR 2021 respectively.

List of credit ratings obtained/revised

During the year, credit rating of the following instruments was done by India Ratings & Research Private Limited:

Instrument Type	Instrument Rating / Issuer Rating / Outlook	Rating Action	Credit rating agency
Commercial paper*	IND A1+ / IND AAA; Stable	Affirmed	India Ratings and Research Private Limited
Long-term/short-term bank facilities	CARE A1+ / CARE AAA; Stable	Reaffirmed	Care Rating Limited

*No commercial papers was issued by the Company during the year.

Plant locations of Cipla Limited as on 31st March, 2025:

Plant Type	Plant Address
Active Pharmaceutical Ingredients Manufacturing Facility	Virgonagar, Old Madras Road, Bengaluru – 560 049, Karnataka, India
	Bommasandra Jigani link road industrial area, KIADB 4th Phase, Jigani, Bengaluru- 560105, Karnataka, India
Active Pharmaceutical Ingredients and Formulations Manufacturing Facility	MIDC, Patalganga-410220, District - Raigad, Maharashtra, India
	MIDC Industrial Area, Kurkumbh-413802, Daund, District - Pune, Maharashtra, India
Formulations Manufacturing Facility	Verna Industrial Estate, Verna-403722, Salcette, Goa, India
	Village Malpur Upper, P.O. Bhud, Nalagarh, Baddi–173 205, District - Solan, Himachal Pradesh, India
	Central Pendam Block, Village Kumrek, District Pakyong, Sikkim -737132, India
	Indore SEZ, Phase II, Sector III, Pharma Zone, P.O. Pithampur – 454 774, District - Dhar, Madhya Pradesh, India
	Taza Block, Rorathang, District Pakyong, Sikkim -737133, India

Plant locations of subsidiary companies of Cipla Limited as on 31st March, 2025:

Plant Type	Plant Address
Formulations Manufacturing Facility	Plot Number 344-348, Kundaim Industrial Estate, Kundaim, Goa – 403115, India
	Plot Number 352, Kundaim Industrial Estate, Kundaim, Goa – 403115, India
	L-1/1, L-1/2/2 & L-2, Additional MIDC, Satara 415004, India
	Tarpin Block, Rorathang, District Pakyong, Sikkim-737133, India
	7 Oser Avenue, Hauppauge, NY, USA, ZIP – 11788
	600 Old Willets, Path Hauppauge, NY, USA, ZIP – 11788
	550 South Research Place, Central Islip, NY, USA, ZIP – 11722
	927 Currant Road, Fall River, MA, USA, ZIP - 02720
	18 Golden Drive Morehill Benoni, South Africa 1501
	1474 South Coast Road, Mobeni, Durban, South Africa 4052
	Oum Azza, BP 4491,11850 Aïn El Aouda, Rabat, Morocco
	Life and health industrial park, No.1 Jianghai Road, Beixin Town, Qidong City, Jiangsu Province, China – 226200
Contract Research and Contract Manufacturing	L-147/B, Verna Industrial Area, Verna, Goa - 403722, India
Manufacturing of Medical Devices	Plot No. 38 & 39, Opp. Sagar Petrol Pump, Western Express Highway, Sativali, Tal. Vasai (E), Dist. Thane, Maharashtra- 401208, India
Analytical Research & Bioequivalence Division	Plot GEN 40, TTC MIDC, Behind Millennium Business Park, Near Nelco Bus stop, Mahape, Navi Mumbai, Maharashtra - 400710, India
Pathology Lab & Screening Area	1 Floor, Jayshree Plaza, L.B.S. Marg, Bhandup West, Near Dreams Mall, Mumbai, Maharashtra - 400078, India
Analytical Research Division (Stability Samples Storage)	EL-87, Electronic Zone, MIDC Industrial Area, Mahape, Navi Mumbai, Maharashtra - 400710, India
Clinical Research Department	Plot No. PAP-A-417, TTC, MIDC, Behind Millennium Business Park, Near Nelco Bus Stop, Mahape, Navi Mumbai, Maharashtra – 400710, India
Testing Laboratory (Testing of pharmaceutical product)	Building A8, Antonie Van Leeuwenhoeklaan 9, 3721 MA, Bilthoven, The Netherlands

Declaration of compliance with the Code of Conduct

I hereby confirm that the Company has obtained from all the members of the Board and senior management personnel, affirmation that they have complied with the Code of Conduct laid down by the Company for the financial year ended 31st March, 2025.

For **Cipla Limited**
Umang Vohra
Managing Director and Global Chief Executive Officer

Date: 13th May, 2025
Place: Mumbai

Annexure A

Statutory details of Board of Directors

Name	Category	Original Date of Appointment	No. of shares held in the Company	No. of directorships held in other Indian companies as on 31st March, 2025	Name of other listed companies where he/she is a Director as on 31st March, 2025[1]	No. of Committee membership/ Chairpersonship held in other Indian public companies as on 31st March, 2025[2]	
						Membership	Chairpersonship
Dr Y K Hamied (DIN: 00029049)	Promoter Non-Executive Director	21st July, 1972	15,05,21,183	1	--	--	--
Mr M K Hamied[3] (DIN: 00029084)		16th August, 1977	2,78,44,320	--	--	--	--
Mr Kamil Hamied[4] (DIN: 00024292)	Promoter Group Non-Executive Director	1st November, 2024	1,09,39,500	2	--	--	--
Mr Abhijit Joshi[5] (DIN: 07115673)	Non-Executive Director	3rd September, 2024	--	2	• Navin Flourine International Limited@	--	--
Mr Adil Zainulbhai[6] (DIN: 06646490)		3rd September, 2024	--	6	• Network18 Media & Investments Limited#	3	1
Mr S Radhakrishnan[7] (DIN: 02313000)		12th November, 2010	42,321[8]	--	--	--	--
Ms Samina Hamied[9] (DIN: 00027923)		10th July, 2015	--	--	--	--	--
Mr Umang Vohra (DIN:02296740)	Executive Director	1st September, 2016	2,76,036	2	--	--	--
Mr Ashok Sinha[10] (DIN: 00070477)	Independent Director	16th July, 2013	--	--	--	--	--
Dr Balram Bhargava[11] (DIN: 10479707)		1st April 2024	--	1	--	--	--
Dr Mandar Vaidya (DIN: 09690327)		29th July, 2022	--	--	--	--	--
Ms Maya Hari[4] (DIN: 01123969)		1st November, 2024	--	--	--	--	--
Ms Punita Lal[12] (DIN: 03412604)		13th November, 2014	--	--	--	--	--

Name	Category	Original Date of Appointment	No. of shares held in the Company	No. of directorships held in other Indian companies as on 31st March, 2025	Name of other listed companies where he/she is a Director as on 31st March, 2025[1]	No. of Committee membership/ Chairpersonship held in other Indian public companies as on 31st March, 2025[2]	
						Membership	Chairpersonship
Mr P R Ramesh (DIN: 01915274)	Independent Director	1st July, 2021	--	9	• Nestle India Limited@ • Crompton Greaves Consumer Electricals Limited@ • Tejas Networks Limited@ • Larsen & Toubro Limited@ • ITC Hotel Limited@	7	4
Mr Robert Stewart (DIN: 03515778)	Independent Director	14th May, 2021	--	--	--	--	--
Ms Sharmila Paranjpe[13] (DIN: 02328770)	Independent Director	1st September, 2024	--	1	--	--	--

[1]Category of Directorship held

@Independent Director

#Non-Executive Director

[2]Committees considered for the purpose are those prescribed under the SEBI Listing Regulations viz. Audit Committee and Stakeholders Relationship Committee of listed and unlisted Indian public companies

[3]Resigned w.e.f. close of business hours of 29th October, 2024

[4]Appointed w.e.f. 1st November, 2024

[5]Appointed w.e.f. 3rd September, 2024

[6]Retired as Independent Director w.e.f. close of business hours of 2nd September, 2024 and appointed as Non-Executive Director w.e.f. 3rd September, 2024.

[7]Retired w.e.f. conclusion of 88th AGM held on 20th August, 2024

[8]Includes 38,125 shares which are held jointly with his wife

[9]Resigned from the position of Executive Vice Chairperson w.e.f. close of business hours of 31st March, 2024 while continuing as Non-Executive Director. Resigned as Non-Executive Director w.e.f. close of business hours of 29th October, 2024

[10]Retired w.e.f. 3rd September, 2024

[11]Appointed w.e.f. 1st April, 2024

[12]Retired w.e.f. 13th November, 2024

[13]Appointed w.e.f. 1st September, 2024

Annexure B

Attendance of Directors for the meeting held during the FY 2024-25[16]

Board Members	Board Meeting	Audit Committee	NRC	SRC	CSR	IRMC	Independent Director Meeting	Present at the last AGM
Date of meeting	**10-May-24, 26-Jul-24, 3-Sep-24, 29-Oct-24, 4-Dec-24[17], 28-Jan-25, 19-Mar-25**	**6-May-24, 9-May-24[18], 22-Jul-24, 26-Jul-24, 24-Oct-24, 28-Oct-24, 4-Dec-24, 24-Jan-25, 27-Jan-25[19]**	**9-May-24[18], 25-Jul-24, 28-Oct-24, 27-Jan-25**	**8-May-24, 24-Jul-24, 25-Oct-24, 24-Jan-25**	**8-May-24, 24-Jul-24, 25-Oct-24, 24-Jan-25**	**9-May-24, 25-Jul-24, 11-Oct-24, 28-Oct-24, 27-Jan-25**	**9-May-24, 26-Jul-24, 28-Oct-24, 27-Jan-25**	**20-Aug-24**
Average attendance (in %)	**96.32**	**93.33**	**88.75**	**83.33**	**72.92**	**92.67**	**92.26**	**100**
Dr Y K Hamied	7(7)	-	-	-	-	-	-	Yes
Mr Abhijit Joshi[1]	4(4)	-		-	-	3(3)	-	NA
Mr Adil Zainulbhai[2]	6(7)	-	4(4)	2(4)	1(4)	-	2(2)	Yes
Mr Ashok Sinha[3]	2(2)	4(4)	-	-	-	2(2)	2(2)	Yes
Dr Balram Bhargava[4]	7(7)	8(9)	-	2(2)	4(4)	-	4(4)	Yes
Mr Kamil Hamied[5]	3(3)	-	1(1)	-	-	1(1)	-	NA
Dr Mandar Vaidya[6]	7(7)	3(4)	2(2)	4(4)	-	-	4(4)	Yes
Ms Maya Hari[7]	3(3)	3(3)	1(1)	-	-	-	1(1)	NA
Mr M K Hamied[8]	4(4)	-	-	-	2(3)	-	-	Yes
Ms Punita Lal[9]	3(4)	-	2(3)	-	1(3)	-	2(3)	Yes
Mr P R Ramesh[10]	7(7)	8(9)	-	-	-	4(5)	4(4)	Yes
Mr Robert Stewart[11]	6(7)	-	3(4)	-	-	4(5)	3(4)	Yes
Ms Samina Hamied[12]	4(4)	-	-	-	-	4(4)	-	Yes
Ms Sharmila Paranjpe[13]	5(5)	5(5)	2(2)	-	2(2)	-	2(2)	NA
Mr S Radhakrishnan[14]	2(2)	4(4)	2(2)	2(2)	2(2)	2(2)	-	Yes
Mr Umang Vohra[15]	7(7)	-	-	-	4(4)	5(5)	-	Yes

[1]Appointed as Non-executive Director and member of IRMC w.e.f. 3rd September, 2024

[2]Ceased to be Lead Independent Director w.e.f. 1st September, 2024. Retired as Independent Director w.e.f. close of business hours of 2nd September, 2024. Appointed as Non-Executive Director and as member of CSR, NRC, OAC and SRC w.e.f. 3rd September, 2024.

[3]Stepped down as Chairperson of Audit Committee w.e.f. 11th May, 2024 while continuing as member. Retired as Independent Director w.e.f. 3rd September, 2024

[4]Appointed as Independent Director and member of Audit Committee and CSR w.e.f. 1st April, 2024 and as member of SRC w.e.f. 20th August, 2024. Designated as Chairperson of CSR w.e.f. 30th October, 2024

[5]Appointed as Non-Executive Director and as member of IRMC, OAC and NRC w.e.f. 1st November, 2024

[6]Designated as Chairperson of SRC w.e.f. 1st April, 2024. Ceased to be member of Audit Committee and appointed as member and Chairperson of NRC w.e.f. 3rd September, 2024

[7]Appointed as Independent Director and as member of Audit Committee and NRC w.e.f. 1st November, 2024

[8]Resigned as Non-Executive Director w.e.f. close of business hours of 29th October, 2024

[9]Stepped down as Chairperson of NRC w.e.f. 3rd September 2024 while continuing as member. Retired as Independent Director w.e.f. 13th November, 2024

[10]Designated as Chairperson of Audit Committee w.e.f. 11th May, 2024 and as Lead Independent Director w.e.f. 1st September, 2024

[11]Designated as Chairperson of IRMC w.e.f. 1st April, 2024

[12]Resigned from the position of Executive Vice Chairperson w.e.f. close of business hours of 31st March, 2024 while continuing as Non-Executive Director. Stepped down as Chairperson of IRMC and OAC w.e.f. 1st April, 2024 while continuing as member. Resigned as Non-Executive Director w.e.f. close of business hours of 29th October, 2024

[13]Appointed as Independent Director w.e.f. 1st September, 2024 and as member of Audit Committee, CSR and NRC w.e.f. 3rd September, 2024

[14]Stepped down as Chairperson of SRC w.e.f. 1st April, 2024 while continuing as member. Retired as Non-Executive Director w.e.f. conclusion of 88th AGM held on 20th August, 2024

[15]Designated as Chairperson of OAC w.e.f. 1st April, 2024

[16]During FY 2024-25, there was no meeting held for the OAC. The OAC approved various matters by resolutions by circulation

[17]Adjourned meeting held on 5th December, 2024

[18]Adjourned meeting held on 10th May, 2024.

[19]Adjourned meeting held on 28th January, 2025

Annexure C

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
Cipla Limited
Cipla House, Peninsula Business Park,
Ganpatrao Kadam Marg, Lower Parel,
Mumbai-400013

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Cipla Limited having **CIN L24239MH1935PLC002380** and having its registered office at **Cipla House, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400013** (hereinafter referred to as "the Company"), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para C clause (10)(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number ('DIN') status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below, for the financial year ending on 31st March, 2025 have been debarred or disqualified from being appointed or continuing as directors of the Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or by any other statutory regulatory authority.

Sr. No.	Name of the Directors	DIN	Date of Appointment[(1)]
1	Dr Y K Hamied	00029049	21st July, 1972
2	Mr Kamil Hamied[(2)]	00024292	1st November, 2024
3	Mr Umang Vohra	02296740	1st September, 2016
4	Mr Adil Zainulbhai[(3)]	06646490	3rd September, 2024
5	Mr Abhijit Joshi[4]	07115673	3rd September, 2024
6	Dr Balram Bhargava	10479707	1st April, 2024
7	Mr Robert Stewart	03515778	14th May, 2021
8	Mr P R Ramesh	01915274	1st July, 2021
9	Dr Mandar Vaidya	09690327	29th July, 2022
10	Ms Maya Hari[(5)]	01123969	1st November, 2024
11	Ms Sharmila Paranjpe[(6)]	02328770	1st September, 2024

(1) Date of appointment of all the Directors are original date of appointment.

(2) Mr Kamil Hamied was appointed as a Non-Executive Director of the Company w.e.f 1st November 2024.

(3) Mr Adil Zainulbhai retired as Independent Director w.e.f. close of business hours of 2nd September, 2024 and appointed as a Non-Executive Director w.e.f 3rd September 2024.

(4) Mr Abhijit Joshi was appointed as a Non-Executive Director of the Company w.e.f 3rd September 2024.

(5) Ms Maya Hari was appointed as an Independent Director of the Company w.e.f 1st November, 2024.

(6) Ms Sharmila Paranjpe was appointed as an Independent Director of the Company w.e.f 1st September, 2024.

Ensuring the eligibility of every director for appointment /continuity on the Board is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these based on our verification. We further state that this certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management of the Company has conducted the affairs of the Company.

For BNP & Associates
Company Secretaries
[Firm Regn. No. P2014MH037400]
PR No.: 6316/2024

Avinash Bagul
Partner
FCS No.: 5578
COP No.: 19862
UDIN: F005578G000326921

Date: 13th May, 2025
Place: Mumbai

Annexure D

Certificate by CEO/CFO to the Board of Directors

We, Mr Umang Vohra, Managing Director and Global Chief Executive Officer and Mr Ashish Adukia, Global Chief Financial Officer hereby certify that:

A. We have reviewed financial statements and the cash flow statements (standalone and consolidated) for the year ended 31st March, 2025 and that to the best of our knowledge and belief:

   (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditor and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have indicated to the Auditor and the Audit Committee that:

   (i) there has not been any significant change in internal control over financial reporting during the year,

   (ii) there has been no significant change in accounting policies during the year,

   (iii) there have been, during the year no instances of significant fraud of which we had become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For **Cipla Limited**

Umang Vohra
Managing Director and
Global Chief Executive Officer

For **Cipla Limited**

Ashish Adukia
Global Chief Financial Officer

Date: 12th May, 2025
Place: Mumbai

Financial Statements

Independent Auditor's Report

To the Members of Cipla Limited

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of Cipla Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2025, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including material accounting policy information and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2025, and its profit (including other comprehensive income/ (loss)), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
DPCO matters: (Refer note 9, 16 and 38B to the Standalone Financial Statements) The Company had received several demand notices/ communications from the National Pharmaceutical Pricing Authority ("NPPA") commencing from the year 1998 seeking recovery of alleged overcharging regarding scheduled drugs under the Drugs (Prices Control) Orders-1995 ("DPCO"). Based on Hon'ble Supreme Court ("SC") judgement, during the financial year ended 31 March 2003, the Company deposited ₹ 175.08 Crores with NPPA under protest, representing 50% of the alleged overcharged amounts in respect of demand notices raised till 2003, and got the stay on the Hon'ble Bombay High Court order for recovery of overcharged amount. Post 2003, the Company continued to receive demands ("Subsequent demands") alleging overcharging which included several duplicate notices/ communications.	Our audit of DPCO matters included, but was not limited to, the following procedures: a) Obtained an understanding of the management's process for updating the status of the matters and assessed the appropriateness of the Company's accounting policies related to provisions and contingent liabilities in accordance with Ind AS 37; b) Evaluated the design and tested the operating effectiveness of key controls around above process; c) Inspected correspondence with the Holding Company's external legal counsel in order to corroborate our understanding of these matters, accompanied by discussions with both internal and external legal counsels. Tested the objectivity and competence of such management experts involved;

Key audit matter	How our audit addressed the key audit matter
The Company has reviewed all the notices/ communications received which are attributable to the Company and are under litigation. After removing duplications, the amount covered by the notices/communications aggregates to ₹ 2,011 Crores with the principal of ₹ 863 Crores and interest of ₹ 1,148 Crores, wherein based on facts and legal advice, the Company has carried a total provision of ₹ 86.12 crores (including interest) as at 31 March 2025. The amounts involved are material and the application of accounting principles as given under Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets ('Ind AS 37'), in order to determine the amounts to be recognised as liability or to be disclosed as a contingent liability or not, is inherently subjective and needs careful evaluation and significant judgement to be applied by the management. Considering the materiality and the inherent subjectivity which involves significant management judgment in predicting the outcome of the matter, DPCO matters have been considered to be a key audit matter for the current period audit.	d) Obtained direct confirmation from the external legal counsel handling DPCO matters with respect to the legal determination of the liability arising from such matters, conclusion of the matters in accordance with the requirements of Ind AS 37 and disclosures to be made in the financial statements. Evaluated the response received from the external legal counsel to ensure that the conclusions reached are supported by sufficient legal rationale; e) Assessed the appropriateness of methods used, and the reliability of underlying data for the calculations made for quantifying the amounts involved. Tested the arithmetical accuracy of such calculations; and f) Evaluated the appropriateness and adequacy of disclosures given in the standalone financial statements, including disclosure of the significant litigations of the Company, in accordance with applicable accounting standards. Based on the audit procedures performed, the judgements made by the management were reasonable and disclosures made in respect of these matters were appropriate in the context of the Standalone financial statements taken as a whole.
Recoverability of investments in subsidiaries: (Refer note 5 and note 35(b) to the Standalone Financial Statements) The Company has investments of ₹ 10,331.57 crores in subsidiaries being carried at cost/ deemed cost in accordance with Ind AS 27, Separate Financial Statements. At each period end, the management reviews whether any impairment indicators exist in the carrying value of investments, in accordance with the requirements of Ind AS 36, "Impairment of Assets" ('Ind AS 36'). The Company assesses the recoverable amounts of each investment when impairment indicators exist. Based on its assessment, the Company have recorded reversal of impairment loss of ₹ 294.66 crores in the current year. Management's assessment of whether there are impairment indicators and estimate of the recoverable amounts of the identified investments determined through discounted cash flow valuation method requires significant judgment in carrying out the impairment assessment. The key assumptions used in management's assessment of the recoverable amounts include, but are not limited to, projections of future cash flows, growth rates, discount rates, estimated future operating and capital expenditure. Changes to these assumptions could lead to material changes in estimated recoverable amounts, resulting in either impairment or reversals of impairment taken in prior years.	Our audit included, but was not limited to, the following procedures: a) Obtained an understanding of the management's process for identification of impairment indicators and evaluated the design and tested the operating effectiveness of key controls over such identification and impairment assessment of identified investments; b) Obtained the impairment assessment workings prepared by the management and its experts; c) Involved auditor's experts to assess the appropriateness of the valuation methodologies and the reasonableness of the assumptions used by the management's expert to determine the recoverable amounts; d) Reconciled the cash flows to the business plans approved by the respective Board of Directors of the identified investee companies; e) Evaluated and challenged management's assumptions such as implied growth rates during explicit period, terminal growth rate, targeting savings and discount rate for their appropriateness based on our understanding of the business of the respective investee companies, past results and external factors such as industry trends and forecasts; f) Obtained and evaluated sensitivity analysis performed by the management on key assumptions of implied growth rates during explicit period, terminal growth rates and discount rates;

Key audit matter	How our audit addressed the key audit matter
Considering the materiality and the inherent subjectivity which involves significant management judgment in predicting future cash flow projections, recoverability of investments in subsidiaries has been considered to be a key audit matter for the current period audit.	g) Tested the mathematical accuracy of the management computations; h) Performed independent sensitivity analysis of aforesaid key assumptions to assess the effect of reasonably possible variations on the current estimated recoverable amount for each of the identified investments to evaluate sufficiency of headroom between recoverable value and carrying amount; and i) Evaluated the appropriateness and adequacy of disclosures given in the standalone financial statements, including disclosure of significant assumptions, judgements and sensitivity analysis performed, in accordance with applicable accounting standards. Based on the audit procedures performed, we determined that the management's assertion on the recoverability of investments in subsidiaries is appropriate in the context of the standalone financial statements taken as a whole.
Revenue from operations: (refer note 1.3.9 and 26 to the Standalone financial statements) The Company recognizes revenue from sales of pharmaceutical products, when control of the product is transferred. The Company records product sales net of estimated discounts, right to returns, rebates and other price adjustments. The actual point in time when revenue is recognized varies depending on the specific terms and conditions of the sales contracts entered with customers. Further, the Company has a large number of customers operating in various geographies and sales contracts with customers have different terms relating to the recognition of revenue leading to material deductions from gross sales which includes discounts, right to return, rebates and other price adjustments in accordance with principles of Ind AS 115, "Revenue from Contracts with Customers" ('Ind AS 115'). We identified the recognition of revenue from operations as a key audit matter because: a) Accrual towards discounts, right to returns, rebates and other price adjustments is complex and requires significant judgments and estimates in relation to contractual agreements/ commercial terms across various geographies. Any change in these estimates can have a significant financial impact. b) The Company considers revenue as key benchmark for evaluating performances and hence, there is risk of revenue being overstated due to pressure to achieve targets, earning expectations or incentive schemes linked to performance for a reporting period.	Our audit included, but was not limited to, the following procedures: a) Obtained an understanding of the management's process for revenue recognition, judgments in estimation and accounting treatment of discount schemes, returns, rebates and other price adjustments; b) Evaluated the design and tested the operating effectiveness of the key controls, including general IT controls, key IT application controls exercised by the management, over recognition of revenue and measurement of various discount, right to returns, rebates and other price adjustments; c) Performed substantive testing by selecting samples of revenue transactions pertaining to sale of products during the year and verified the underlying supporting documents including contracts, agreements, sales invoices and dispatch/ shipping documents; d) Performed substantive testing by selecting samples of revenue transactions pertaining to sale of products during specific periods before and after year end to ensure that the correct amount of revenue is recorded in the correct period; e) Obtained management workings for amounts recognised towards discount schemes, right to returns and rebates and other price adjustments during the year and as at year end. On a sample basis, tested the underlying calculations for amounts recorded as accruals and provisions towards the aforementioned obligations, as per the terms of related schemes, contracts and regulations and traced the underlying data to source documents; f) Evaluated historical accuracy of the Company's estimates of year-end accruals pertaining to aforesaid arrangements made in the previous years to identify any management bias; g) Tested the manual sales-related adjustments made to revenue comprising of variable consideration under Ind AS 115 to ensure the appropriateness of revenue recognition during the year; and h) Evaluated the appropriateness and adequacy of disclosures given in the standalone financial statements in accordance with applicable accounting standards. Based on audit procedures performed, we determined that the revenue recognition and measurement is appropriate in the context of the standalone financial statements taken as a whole.

Information other than the Standalone Financial Statements and Auditor's Report thereon

6. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements and our auditor's report thereon.

   Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

   In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

7. The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS specified under section 133 of the Act and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

8. In preparing the standalone financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

9. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

11. As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

    - Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;

    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

    - Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and

    - Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

15. As required by section 197(16) of the Act, based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

16. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act we give in the Annexure I, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

17. Further to our comments in Annexure I, as required by section 143(3) of the Act based on our audit, we report, to the extent applicable, that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying standalone financial statements;

    b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, including the manner prescribed in Rule 3(1) of Companies (Accounts) Rules 2014, except that the audit trail feature was not enabled at the database level until 7 June 2024 as further stated in paragraph 17(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).

    c) The standalone financial statements dealt with by this report are in agreement with the books of account;

    d) In our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;

    e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2025 from being appointed as a director in terms of section 164(2) of the Act;

    f) With respect to maintenance of accounts and other matters connected therewith refer to our comments in paragraph 17(b) above on reporting under Section 143(3)(b) of the Act and paragraph 17(h)(vi) below on reporting under rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);

    g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31 March 2025 and the operating effectiveness of such controls, refer to our separate report in Annexure II wherein we have expressed an unmodified opinion; and

    h) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us :

        i. The Company, as detailed in note 38 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2025.;

        ii. As detailed in note 52, the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2025.;

        iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2025;

        iv. a. The management has represented that, to the best of its knowledge and belief, other than as disclosed in note 44(j) and note 44(k) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

b. The management has represented that, to the best of its knowledge and belief, as disclosed in note 44(f) to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

v. a. The final dividend paid by the Company during the year ended 31 March 2025 in respect of such dividend declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

b. As stated in note 47B(b) to the accompanying standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year ended 31 March 2025 which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

vi. Based on examination which included test checks, the Company in respect of financial year commencing on 1 April 2024, has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility at the application level of the accounting software and the same has been operated throughout the year for all relevant transactions recorded in the software. The audit trail feature (edit log) at the database level for the direct changes was enabled from 7 June 2024 with access management tool. Further, during our audit we did not come across any instance of such audit trail features being tampered with where such feature was enabled. Furthermore, the audit trail has been preserved by the Company as per the statutory requirements for record retention at application level since the commencement of audit trail requirement from 1 April 2023 and at the database level from 7 June 2024 onwards.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Adi P. Sethna
Partner
Membership No.: 108840
UDIN: 25108840BMNTWS9296

Place: Mumbai
Date: 13 May 2025

Annexure I referred to in paragraph 16 of the Independent Auditor's Report of even date to the Members of Cipla Limited on the Standalone Financial Statements for the year ended 31 March 2025

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of its property, plant and equipment, capital work-in-progress, investment property and relevant details of right-of-use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a regular programme of physical verification of its property, plant and equipment, capital work-in-progress, investment property and relevant details of right-of-use assets under which the assets are physically verified in a phased manner over a period of 3 years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain property, plant and equipment, capital work-in-progress, investment property and relevant details of right-of-use assets were verified during the year and no material discrepancies were noticed on such verification.

(c) The title deeds of all the immovable properties (including investment properties) held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in note 2.1 and 3 to the standalone financial statements, are held in the name of the Company.

(d) The Company has adopted cost model for its Property, Plant and Equipment (including right-of-use assets) and intangible assets. Accordingly, reporting under clause 3(i)(d) of the Order is not applicable to the Company.

(e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended) and rules made thereunder.

(ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year, except for goods-in-transit. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed as compared to book records. In respect of inventory lying with third parties, these have been confirmed by the third parties and in respect of goods-in-transit, these have been confirmed from corresponding receipt and/or dispatch inventory records.

(b) The Company has not been sanctioned working capital limits by banks or financial institutions on the basis of security of current assets at any point of time during the year. Accordingly, reporting under clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) (a) The Company has not provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or any other parties during the year. The Company has provided loans to subsidiaries during the year as per details given below:

Particulars	**Loans (₹ in crores)**
Aggregate amounts granted during the year	493.37
Balance outstanding as at balance sheet date (including the amounts granted in earlier years)	1,189.23

Further, the Company has made investments in 8 entities amounting to ₹ 796.43 crores* (year-end balances ₹ 10,501.68 crores*)

*Does not include amounts appearing in share application money pending allotment as at 31 March 2025.

(a) In our opinion, and according to the information and explanations given to us, the investments made and terms and conditions of the grant of all loans granted are, prima facie, not prejudicial to the interest of the Company.

(b) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments/receipts of principal and interest are regular.

(c) There is no overdue amount in respect of loans granted to such companies.

(d) The Company has granted loan which had fallen due during the year and such loan was extended during the year. The details of the same has been given below:

Name of the party	Total loan amount granted during the year (₹ in crores)	Aggregate amount of overdue of existing loans renewed or extended or settled by fresh loans (₹ in crores)	Nature of extension (i.e., renewed/ extended/ fresh loan provided)	Percentage of the aggregate to the total loans or advances in the nature of loans granted during the year
Cipla USA Inc.	392.37	205.49	Extended	52.37%

(e) The Company has not granted any loan, which are repayable on demand or without specifying any terms or period of repayment.

iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Act in respect of loans and investments made and guarantees and security provided by it, as applicable. Further, the Company has not entered into any transaction covered under section 185 of the Act.

(v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there are no amounts which have been deemed to be deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.

(vi) The Central Government has specified maintenance of cost records under sub-section (1) of section 148 of the Act in respect of the products of the Company. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) (a) In our opinion and according to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, we report that there are no statutory dues referred to in subclause (a) above that have not been deposited with the appropriate authorities on account of any dispute except for the following:

Name of the statute	Nature of dues	Gross Amount (₹ in crores)	Amount paid under Protest (₹ in crores)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	499.45	306.13	AY 2009-10, AY 2013-14, AY 2015-16, AY 2017-18, AY 2019-20, AY 2020-21, AY 2021-22, AY 2022-23	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	33.19	33.04	AY 2014-15	Income Tax Appellate Tribunal
Central Excise Act, 1944	Excise Duty	75.45	3.91	1992-93 to 2000-01 and 2004-05 to 2016-17	CESTAT (West Zonal Bench)
Central Excise Act, 1944	Excise Duty	12.68	-	1999-00 to 2004-05	Commissioner of Excise, Pune, Raigad, Goa, Mumbai
Central Excise Act, 1944	Excise Duty	0.02	0.01	2001-02 to 2006-07	Honorable High Court, Mumbai
Central Excise Act, 1944	Excise Duty	4.32	0.73	2009-10 to 2016-17	Commissioner (Appeals)
Central Excise Act, 1944	Excise Duty	74.03	3.85	2008-09 to 2017-18	CESTAT (South Zonal Bench)
Central Excise Act, 1944	Excise Duty	12.25	1.31	2013-14 to 2016-17	CESTAT (East Zonal Bench)
Central Goods and Service Tax Act, 2017	Goods and service tax	199.98	15.83	2016-17 to 2023-24	Commissioner (Appeals)

Name of the statute	Nature of dues	Gross Amount (₹ in crores)	Amount paid under Protest (₹ in crores)	Period to which the amount relates	Forum where dispute is pending
Central Goods and Service Tax Act, 2017	Goods and service tax	26.29	1.29	2017-18 to 2019-20	Joint / Additional Commissioner
Central Goods and Service Tax Act, 2017	Goods and service tax	2.27	0.12	2017-18	Assistant Commissioner
Central Goods and Service Tax Act, 2017	Goods and service tax	13.30	5.24	2017-18 to 2020-21	GSTAT
Customs Act, 1962	Customs Duty	9.39	4.67	2009-10 to 2014-15	CESTAT (South Zonal Bench)
Customs Act, 1962	Customs Duty	1.80	-	2023-24	CESTAT (North Zonal Bench)
Customs Act, 1962	Customs Duty	45.68	3.54	2016-17 to 2020-21	CESTAT (West Zonal Bench)
Customs Act, 1962	Customs Duty	0.28	0.01	2017-18	Additional Commissioner
Customs Act, 1962	Customs Duty	0.37	0.27	2017-18 to 2019-20 and 2022-23	Commissioner (Appeals)
Finance Act, 1994	Service Tax	38.85	1.48	2008-09 to 2012-13 and 2015-16 to 2017-18	CESTAT (West Zonal Bench)
Bihar Value Added Tax Act, 2005	Value Added Tax	0.98	0.49	2015-16	Joint Commissioner of Commercial Tax, (Appeals), Patna Central Division, Patna
Gujarat Value Added Tax Act, 2003	Value Added Tax	0.38	0.13	2013-14	Gujarat Value Added Tax, Tribunal, Ahmedabad Gujarat
Maharashtra Value Added Tax, 2002	Value Added Tax	0.06	-	2002-03	Joint Commissioner of Sales Tax, Nagpur
Maharashtra Value Added Tax, 2002	Value Added Tax	0.52	0.07	2007-08 and 2013-14	DY Commissioner of Sales Tax - LTU, Mazagaon, Mumbai
Telangana Value Added Tax, 2005	Value Added Tax	0.13	0.13	2005-06	Telangana VAT Appellate Authority, Hyderabad Rural Division
The Central Sales Tax 1956, UP	Central Sales Tax	0.09	0.04	2011-12	Joint Commissioner of Commercial Tax, Corporate Circle, Lucknow Zone, Lucknow
The Central Sales Tax 1956, WB	Central Sales Tax	0.02	-	2002-03	In the High Court at Calcutta, Constitutional WRIT Jurisdiction, Kolkata.
West Bengal Value Added Tax Act, 2003	Value Added Tax	0.12	0.02	2001-02 and 2005-06	The West Bengal Taxation Tribunal, Extraordinary Jurisdiction, Kolkata, West Bengal

(viii) According to the information and explanations given to us, we report that no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been previously recorded in the books of account.

(ix) (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us including confirmations received from banks and representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of term loans during the year and did not have any term loans outstanding at the beginning of the current year. Accordingly, reporting under clause 3(ix)(c) of the Order is not applicable to the Company.

(d) In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised by the Company on short term basis have, prima facie, not been utilised for long-term purposes.

(e) In our opinion and according to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries and associates. Further, we report that the Company does not have any joint ventures.

(f) In our opinion and according to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries and associate companies.

(x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company has been noticed or reported during the period covered by our audit.

(b) According to the information and explanations given to us including the representation made to us by the management of the Company, no report under sub-section 12 of section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014, with the Central Government for the period covered by our audit.

(c) According to the information and explanations given to us, the Company has received whistle blower complaints during the year, which have been considered by us while determining the nature, timing and extent of audit procedures.

(xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the standalone financial statements, as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.

(xiv) (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system which is commensurate with the size and nature of its business as required under the provisions of section 138 of the Act.

(b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.

(xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, reporting under clause 3(xv) of the Order with respect to compliance with the provisions of section 192 of the Act are not applicable to the Company.

(xvi) a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clauses 3(xvi)(a), (b) and (c) of the Order are not applicable to the Company.

(d) Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.

(xvii) The Company has not incurred any cash losses in the current financial year as well as the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information in the standalone financial statements, our knowledge of the plans of the Board of Directors and management and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

(xx) (a) According to the information and explanations given to us, the Company does not have any unspent amounts towards Corporate Social Responsibility in respect of other than ongoing project as at the end of the financial year.

(b) In our opinion and according to the information and explanations given to us, the Company has transferred the remaining unspent amounts towards Corporate Social Responsibility (CSR) under sub-section (5) of section 135 of the Act, in respect of ongoing project, within a period of 30 days from the end of financial year to a special account in compliance with the provision of sub-section (6) of section 135 of the Act:

Financial year	Amount unspent on CSR activities for "On going Projects" (₹ In crores)	Amount transferred to Special Account within 30 days from the end of the Financial Year (₹ In crores)	Amount Transferred after the due date (₹ In crores)	Date of Transfer
FY 2024-2025	4.75	4.75	-	29 April 2025

(xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Adi P. Sethna
Partner
Membership No.: 108840
UDIN: 25108840BMNTWS9296

Place: Mumbai
Date: 13 May 2025

Annexure II to the Independent Auditor's Report of even date to the Members of Cipla Limited on the Standalone Financial Statements for the year ended 31 March 2025

Independent Auditor's Report on the internal financial controls with reference to the standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the standalone financial statements of Cipla Limited ('the Company') as at and for the year ended 31 March 2025, we have audited the internal financial controls with reference to standalone financial statements ('financial statements') of the Company as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Standalone Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to the Standalone Financial Statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in

accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Standalone Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such controls were operating effectively as at 31 March 2025, based on internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Adi P. Sethna
Partner
Membership No.: 108840
UDIN: 25108840BMNTWS9296

Place: Mumbai
Date: 13 May 2025

Standalone Balance Sheet

as at 31st March, 2025

₹ in Crores

Particulars	Notes	As at 31st March, 2025	As at 31st March, 2024
Assets			
1. Non-current assets			
(a) Property, plant and equipment	2.1	3,347.53	3,278.31
(b) Right-of-use assets	2.2	160.11	92.08
(c) Capital work-in-progress	2.4	523.11	580.90
(d) Investment properties	3	112.87	115.49
(e) Intangible assets	4	257.12	232.75
(f) Intangible assets under development	4	115.29	89.37
(g) Financial assets			
(i) Investments	5	10,501.68	9,410.17
(ii) Loans	6	975.54	1,379.62
(iii) Other financial assets	7	375.97	492.59
(h) Income tax assets (net)	8	408.89	353.70
(i) Deferred tax assets (net)	8	19.88	-
(j) Other non-current assets	9	358.96	121.45
Total non-current assets		**17,156.95**	**16,146.43**
2. Current assets			
(a) Inventories	10	3,607.12	3,254.28
(b) Financial assets			
(i) Investments	11	6,849.31	4,383.59
(ii) Trade receivables	12	3,859.99	2,681.75
(iii) Cash and cash equivalents	13	82.74	164.52
(iv) Bank balances other than cash and cash equivalents	14	195.71	168.68
(v) Loans	15	213.87	784.25
(vi) Other financial assets	16	2,885.37	2,766.69
(c) Other current assets	17	675.11	654.08
Total current assets		**18,369.22**	**14,857.84**
3. Assets classified as held for sale	2.3	**39.55**	**48.96**
Total assets		**35,565.72**	**31,053.23**
Equity and liabilities			
1. Equity			
(a) Equity share capital	18	161.52	161.47
(b) Other equity	19	31,937.72	27,812.45
Total equity		**32,099.24**	**27,973.92**
2. Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	2.2	86.18	29.55
(ii) Other financial liabilities	20	35.53	6.89
(b) Provisions	21	109.12	94.24
(c) Deferred tax liabilities (net)	8	-	32.64
(d) Other non-current liabilities	22	52.23	53.74
Total non-current liabilities		**283.06**	**217.06**
Current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	2.2	31.20	16.00
(ii) Trade payables	23		
- Total outstanding dues of micro enterprises and small enterprises		218.40	201.25
- Total outstanding dues of creditors other than micro enterprises and small enterprises		1,665.31	1,483.39
(iii) Other financial liabilities	24	235.11	221.16
(b) Other current liabilities	25	200.54	185.92
(c) Provisions	21	777.25	747.24
(d) Income tax liabilities (net)	8	55.61	7.29
Total current liabilities		**3,183.42**	**2,862.25**
Total liabilities		**3,466.48**	**3,079.31**
Total equity and liabilities		**35,565.72**	**31,053.23**

The accompanying notes form an integral part of these standalone financial statements. 1-54

As per our report of even date attached

For and on behalf of the **Board of Directors**

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Reg. No. 001076N/N500013

Umang Vohra
Managing Director and
Global Chief Executive Officer
DIN: 02296740

Kamil Hamied
Non-Executive Director
DIN: 00024292

Adi P. Sethna
Partner
Membership No. 108840

Ashish Adukia
Global Chief Financial Officer

Rajendra Chopra
Company Secretary

Mumbai, 13th May, 2025

Mumbai, 13th May, 2025

Standalone Statement of Profit and Loss

for the year ended 31st March, 2025

₹ in Crores

Particulars	Notes	For the year ended 31st March, 2025	For the year ended 31st March, 2024
A. Continuing Operations :			
1. Revenue from operations			
(a) Revenue from sale of products	26	16,111.45	14,441.14
(b) Other operating revenue	27	2,933.40	2,133.20
Total revenue from operations		**19,044.85**	**16,574.34**
2. Other income	28	**984.72**	**1,070.66**
3. Total income (1+2)		**20,029.57**	**17,645.00**
4. Expenses			
(a) Cost of materials consumed	29	3,642.84	2,617.21
(b) Purchases of stock-in-trade	30	2,056.75	2,360.41
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	31	(229.87)	104.57
(d) Employee benefits expense	32	3,054.87	2,644.21
(e) Finance costs	33	15.11	20.25
(f) Depreciation, impairment and amortisation expenses	34	573.89	587.59
(g) Other expenses	35 (a)	4,741.82	4,363.79
Total expenses		**13,855.41**	**12,698.03**
5. Profit before exceptional items and tax from continuing operations (3-4)		**6,174.16**	**4,946.97**
6. Exceptional item	35 (b)	**294.66**	**-**
7. Profit before tax from continuing operations (5+6)		**6,468.82**	**4,946.97**
8. Tax expense (net)	8		
(a) Current tax		1,360.32	1,226.69
(b) Deferred tax		(49.15)	6.09
Total tax expense		**1,311.17**	**1,232.78**
9. Profit for the year from continuing operations (7-8)		**5,157.65**	**3,714.19**
B. Discontinuing/Restructuring Operations :	37		
10. Profit before tax		-	485.17
11. Tax expense	8	-	122.11
12. Profit for the year from discontinuing/restructuring operations (10-11)		**-**	**363.06**
13. Profit for the year (9+12)		**5,157.65**	**4,077.25**
14. Other comprehensive income / (loss) for the year	19		
I . In respect of continuing operations:			
a) (i) Items that will not be reclassified to profit or loss		(16.82)	(109.37)
(ii) Income tax relating to items that will not be reclassified to profit or loss		4.24	27.52
b) (i) Items that will be reclassified to profit or loss		3.47	2.80
(ii) Income tax relating to items that will be reclassified to profit or loss		(0.87)	(0.71)
Sub-total (I)		**(9.98)**	**(79.76)**
II . In respect of Discontinuing/Restructuring operations:	19 & 37		
(i) Items that will not be reclassified to profit or loss		-	(0.80)
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	0.20
Sub-total (II)		**-**	**(0.60)**
Other comprehensive income for the year (I+II)		**(9.98)**	**(80.36)**
15. Total comprehensive income for the year (13+14)		**5,147.67**	**3,996.89**
16. Earnings per equity share from continuing operations of face value of ₹ 2 each	48		
Basic (in ₹)		63.87	46.01
Diluted (in ₹)		63.82	45.97
17. Earnings per equity share from Discontinuing/Restructuring operations of face value of ₹ 2 each			
Basic (in ₹)		-	4.50
Diluted (in ₹)		-	4.49
18. Earnings per equity share from total operations of face value of ₹ 2 each			
Basic (in ₹)		63.87	50.51
Diluted (in ₹)		63.82	50.46

The accompanying notes form an integral part of these standalone financial statements. 1-54

As per our report of even date attached

For and on behalf of the **Board of Directors**

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Reg. No. 001076N/N500013

Umang Vohra
Managing Director and
Global Chief Executive Officer
DIN: 02296740

Kamil Hamied
Non-Executive Director
DIN: 00024292

Adi P. Sethna
Partner
Membership No. 108840

Ashish Adukia
Global Chief Financial Officer

Rajendra Chopra
Company Secretary

Mumbai, 13th May, 2025

Mumbai, 13th May, 2025

Standalone Statement of Changes in Equity

for the year ended 31st March, 2025

(a) Equity share capital (refer note 18)

₹ in Crores

Particulars	As at 31st March, 2025	As at 31st March, 2024
Balance at the beginning of the year	161.47	161.43
Changes in equity share capital during the year on exercise of employee stock options (ESOSs & ESARs)	0.05	0.04
Balance at the end of the year	**161.52**	**161.47**

(b) Other Equity (refer note 19)

₹ in Crores

Particulars	Share application money pending allotment	Attributable to the owners of the Company							Total
		Reserves and surplus					Items of other comprehensive income		
		Capital reserve	Securities premium	General reserve	Employee stock options / ESAR	Retained earnings #	Equity instruments fair value through other comprehensive income	Effective portion of cash flow hedges	
Balance as at 1st April, 2023	-	0.08	1,652.77	3,144.92	39.11	19,634.22	0.47	5.09	**24,476.66**
Profit for the year for continuing and discontinuing operations	-	-	-	-	-	4,077.25	-	-	**4,077.25**
Other comprehensive income/ (loss) (net of tax) for continuing and discontinuing operations	-	-	-	-	-	(74.47)	(7.98)	2.09	**(80.36)**
Total Comprehensive Income for the year	**-**	**0.08**	**1,652.77**	**3,144.92**	**39.11**	**23,637.00**	**(7.51)**	**7.18**	**28,473.55**
Share application money pending allotment*	0.00	-	-	-	-	-	-	-	**0.00**
Payment of dividend (refer note 47)	-	-	-	-	-	(686.17)	-	-	**(686.17)**
Exercise of employee stock options	-	-	20.07	-	(20.07)	-	-	-	**-**
Transfer to general reserve	-	-	-	0.08	(0.08)	-	-	-	**-**
Share based payments expense (refer note 41)	-	-	-	-	25.07	-	-	-	**25.07**
Balance as at 31st March, 2024	**0.00**	**0.08**	**1,672.84**	**3,145.00**	**44.03**	**22,950.83**	**(7.51)**	**7.18**	**27,812.45**

Standalone Statement of Changes in Equity

for the year ended 31st March, 2025

(b) Other Equity (refer note 19) (Contd..)

₹ in Crores

Particulars	Share application money pending allotment	Attributable to the owners of the Company							Total
		Reserves and surplus					Items of other comprehensive income		
		Capital reserve	Securities premium	General reserve	Employee stock options / ESAR	Retained earnings #	Equity instruments fair value through other comprehensive income	Effective portion of cash flow hedges	
Profit for the year for continuing and discontinuing operations	-	-	-	-	-	5,157.65	-	-	**5,157.65**
Other comprehensive income/ (loss) (net of tax) for continuing and discontinuing operations	-	-	-	-	-	(12.96)	0.38	2.60	**(9.98)**
Total Comprehensive Income for the year	**0.00**	**0.08**	**1,672.84**	**3,145.00**	**44.03**	**28,095.52**	**(7.13)**	**9.78**	**32,960.12**
Share application money pending allotment*	0.00	-	-	-	-	-	-	-	**0.00**
Payment of dividend (refer note 47)	-	-	-	-	-	(1,049.83)	-	-	**(1,049.83)**
Exercise of employee stock options	-	-	19.76	-	(19.76)	-	-	-	-
Share based payments expense (refer note 41)	-	-	-	-	27.43	-	-	-	**27.43**
Balance as at 31st March, 2025	**0.00**	**0.08**	**1,692.60**	**3,145.00**	**51.70**	**27,045.69**	**(7.13)**	**9.78**	**31,937.72**

*represent share application money pending allotment of ₹ 9,144 for 4,572 number of shares (31st March, 2024: ₹ 30,196 for 15,098 number of shares).

#Remeasurement gain/(losses) net of taxes on defined benefit plans during the year is recognised as part of retained earnings.

There are no prior period errors, and hence disclosure with respect to the restatement of the opening balance of "Equity share capital" and "Other equity" is not applicable.

The accompanying notes form an integral part of these standalone financial statements. 1-54

As per our report of even date attached

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Reg. No. 001076N/N500013

Adi P. Sethna
Partner
Membership No. 108840

Mumbai, 13th May, 2025

For and on behalf of the **Board of Directors**

Umang Vohra
Managing Director and
Global Chief Executive Officer
DIN: 02296740

Kamil Hamied
Non-Executive Director
DIN: 00024292

Ashish Adukia
Global Chief Financial Officer

Rajendra Chopra
Company Secretary

Mumbai, 13th May, 2025

Standalone Statement of Cash Flows

for the year ended 31st March, 2025

₹ in Crores

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Cash flow from operating activities		
Profit before exceptional items and tax from:		
Continuing operations	6,174.16	4,946.97
Discontinuing/Restructuring operations (refer note 37)	-	485.17
Adjustments for:		
Depreciation, impairment and amortisation expenses	573.89	587.59
Finance costs (including on discontinuing operations)	15.11	24.60
Unrealised foreign exchange gain (net)	(1.46)	(22.78)
Share based payment expense	27.15	25.07
Allowances for credit loss (net)	(1.89)	9.22
Interest income on income tax refund	(8.83)	(10.33)
Interest income on bank deposits and others	(390.82)	(283.49)
Dividend income	(99.27)	(380.69)
Sundry balance written back (net)	(5.50)	(7.03)
Net gain on sale of current investments carried at fair value through profit or loss	(143.13)	(43.47)
Net fair value gain on financial instruments at fair value through profit or loss	(237.02)	(215.01)
Net loss/(gain) on sale/disposal of property, plant and equipment	1.85	(7.50)
Gain on divestment of subsidiaries	-	(4.93)
Rent income	(15.73)	(14.16)
Operating profit before working capital changes	**5,888.51**	**5,089.23**
Adjustments for working capital:		
Increase in inventories	(352.85)	(196.80)
Increase in trade and other receivables	(1,124.39)	(152.94)
Increase in trade payables and other liabilities	248.08	211.44
Cash generated from operations	**4,659.35**	**4,950.93**
Income taxes paid (net of refunds)	(1,358.36)	(1,224.16)
Net cash flow generated from operating activities (a)	**3,300.99**	**3,726.77**
Cash flow from investing activities		
Purchase of property, plant and equipment {refer note (ii) below}	(571.06)	(550.49)
Purchase of intangible assets (including intangible asset under development)	(157.62)	(132.22)
Proceeds from sale of property, plant and equipment {refer note (ii) below}	23.72	29.94
Advance received against assets held for sale	11.09	-
Investments in associates	(6.00)	(42.00)
Investments in subsidiaries	(882.80)	(279.86)
Purchase of Non-current investments	(17.83)	(6.03)
Proceeds from sale of investments in subsidiaries (refer note 5)	-	49.82
Purchase of current investments (net)	(2,085.57)	(1,353.67)
Change in bank balance other than cash and cash equivalents	(158.38)	(197.94)
Long term loan given to subsidiaries	(493.37)	(1,140.71)
Proceeds from loan given to subsidiaries	1,500.27	77.89
Interest received	415.13	267.60
Dividend received	99.27	380.69
Rent received	14.62	14.16
Net cash flow used in investing activities (b)	**(2,308.53)**	**(2,882.82)**

Standalone Statement of Cash Flows

for the year ended 31st March, 2025

₹ in Crores

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Cash flow from financing activities		
Proceeds from issue of equity shares (ESOSs & ESARs)	0.05	0.04
Principal payment of lease liabilities	(14.76)	(12.51)
Interest paid {including interest on lease liability ₹ 6.50 Crores (31st March, 2024: ₹ 5.55 Crores)}	(9.39)	(10.19)
Dividend paid	(1,049.83)	(686.17)
Net cash flow used in financing activities (c)	**(1,073.93)**	**(708.83)**
Net (decrease)/ increase in cash and cash equivalents (a+b+c)	**(81.47)**	**135.12**
Cash and cash equivalents at the beginning of the year	164.52	29.48
Exchange difference on translation of foreign currency cash and cash equivalents	(0.31)	(0.08)
Cash and cash equivalents at the end of the year (refer note 13)	**82.74**	**164.52**

Notes:

i. The above statement of cash flow from operating activities has been prepared under the 'Indirect method' as set out in Indian Accounting Standard (Ind AS) 7-*Statement of Cash Flows.*

ii. Purchase and sale of property, plant and equipment represents additions and deletions to property, plant and equipment and investment properties adjusted for movement of capital work-in-progress, capital advances, capital creditors during the year.

iii. There is no borrowing in current year and previous year, hence net debt movement as required by Indian Accounting Standard (Ind AS) 7 - *Statement of Cash Flows* is not applicable.

The accompanying notes form an integral part of these standalone financial statements (note 1-54).

As per our report of even date attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Reg. No. 001076N/N500013

Adi P. Sethna
Partner
Membership No. 108840

Mumbai, 13th May, 2025

For and on behalf of the **Board of Directors**

Umang Vohra
Managing Director and
Global Chief Executive Officer
DIN: 02296740

Kamil Hamied
Non-Executive Director
DIN: 00024292

Ashish Adukia
Global Chief Financial Officer

Rajendra Chopra
Company Secretary

Mumbai, 13th May, 2025

Notes to the Standalone Financial Statements

Corporate information

Cipla Limited (Corporate identity number: L24239MH1935PLC002380) ("Cipla" or "the Company") having registered office at Cipla house, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400013, is a public company incorporated and domiciled in India. The Company is in the business of manufacturing, developing, and marketing wide range of branded and generic formulations and Active Pharmaceutical Ingredients (APIs). The Company has its wide network of manufacturing, trading and other incidental operations in India and International markets. Equity Shares of the Company are listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited. Global Depository Receipts are listed on Luxembourg Stock Exchange.

Note 1: Basis of Preparation, Measurement, Key accounting estimates and judgements and Material accounting policy information

1.1 Basis of Preparation and Measurement

(i) Compliance with Indian Accounting Standards (Ind AS)

The standalone financial statements of the Company as at and for the year ended 31st March, 2025 have been prepared and presented in accordance with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 ("the Act") [Companies (Indian Accounting Standards) Rules, 2015], and presentation requirements of Division II of Schedule III to the Companies Act, 2013 as amended from time to time, and other relevant provisions of the Act and accounting principles generally accepted in India. These standalone financial statements have been prepared by the Company on a going concern basis.

(ii) Consistency of accounting policy

The accounting policies are applied consistently to all the periods presented in the financial statements.

(iii) Functional currency and rounding of amounts

The financial statements are presented in Indian Rupee (₹) which is also the functional currency. All amounts disclosed in the financial statements and notes have been rounded-off to the nearest crore or decimal thereof as per the requirement of Schedule III, unless otherwise stated. Amount less than ₹ 50,000/- is presented as ₹ 0.00 Crore.

(iv) Basis of measurement

The financial statements have been prepared on a historical cost basis and on accrual basis, except for the following:

- Financial assets and liabilities are measured at fair value or at amortised cost depending on classification;
- Derivative financial instruments and contingent consideration is measured at fair value;
- Assets held for sale – measured at fair value less cost to sell;
- Defined benefit plans – plan assets measured at fair value;
- Lease liability and Right-of-use assets– measured at fair value;
- Share based payments – measured at fair value; and
- Asset and liabilities assumed as part of business combination – measured at fair value

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III of the Act and Ind AS 1 - Presentation of Financial Statements.

Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities. Deferred tax assets and liabilities are always disclosed as non-current.

1.2 Key accounting estimates and Judgements

The preparation of financial statements requires management of the Company to make judgements, estimates and assumptions that affect the reported assets and liabilities, revenue and expenses and disclosures relating to contingent liabilities. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Estimates and underlying assumptions are reviewed by management at each reporting date. Actual results could differ from these estimates. Any revision of these estimates is recognised prospectively in the current and future periods.

Following are the critical judgements and estimates:

1.2.1 Judgements

(i) Leases

Ind AS 116 - Leases requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Company's operations taking into account the

Notes to the Standalone Financial Statements

location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

(ii) Income taxes

Significant judgements are involved in determining the provision for income taxes including judgement on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods. The recognition of taxes that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances.

In assessing the realisability of deferred tax assets, management considers whether some portion or all of the deferred tax assets will not be realised. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the Company will realise the benefits of those deductible differences. The amount of the deferred income tax assets considered realisable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

(iii) Research and developments costs

Research and development (R&D) expenses are fully charged to "Other expenses" in the standalone statement of profit and loss in the period in which they are incurred. The Company considers that regulatory and other uncertainties inherent in the development of new products preclude the capitalization of internal development expenses as an intangible asset until marketing approval from a regulatory authority is obtained in a major market.

Payments made to third parties, such as contract research and development organizations in compensation for subcontracted R&D, that are deemed not to transfer intellectual property to Company are expensed as R&D expenses in the period in which they are incurred. Such payments are only capitalized if they meet the criteria for recognition of an internally generated intangible asset, usually when marketing approval has been received from a regulatory authority in a major market.

Payments made to third parties to in-license or acquire intellectual property rights, compounds and products, including initial upfront and subsequent milestone payments, are capitalized, as are payments for other assets, such as technologies to be used in R&D activities. If additional payments are made to the originator company to continue performing R&D activities, an evaluation is made as to the nature of the payments. Such additional payments will be expensed if they are deemed to be compensation for subcontracted R&D services not resulting in an additional transfer of intellectual property rights to Company. Such additional payments will be capitalized if they are deemed to be compensation for the transfer of additional intellectual property developed at the risk of the originator company. Subsequent internal R&D costs in relation to IPR&D and other assets are expensed, since the technical feasibility of the internal R&D activity can only be demonstrated by the receipt of marketing approval for a related product from a regulatory authority in a major market.

(iv) Provisions and contingent liabilities

The Company exercises judgement in determining if a particular matter is possible, probable or remote. The Company also exercises judgement in measuring and recognising provisions and the exposures to contingent liabilities related to pending litigation or other outstanding claims subject to negotiated settlement, mediation, government regulation, as well as other contingent liabilities. Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual losses may be different from the originally estimated provision. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

(v) Business Combinations

The Company uses the acquisition method of accounting to account for business combinations. The acquisition date is the date on which control is transferred to the acquirer. Judgement is applied

Notes to the Standalone Financial Statements

in determining the acquisition date, determining whether control is transferred from one party to another and whether acquisition constitute a business or asset acquisition. Control exists when the Company is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive.

1.2.2 Estimates

(i) Useful lives of property, plant and equipment, and intangible assets

Property, plant and equipment, and intangibles assets represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

(ii) Refund liabilities

The Company accounts for sales returns accrual by recording refund liabilities concurrent with the recognition of revenue at the time of a product sale. This liability is based on the Company's estimate of expected sales returns. The Company deals in various products and operates in various markets. Accordingly, the estimate of sales returns is determined primarily by the Company's historical experience in the markets in which the Company operates. With respect to established products, the Company considers its historical experience of sales returns, levels of inventory in the distribution channel, estimated shelf life, product discontinuances, price changes of competitive products, and the introduction of competitive new products, to the extent each of these factors impact the Company's business and markets.

At the time of recognising the refund liability, the Company also recognises an asset, (i.e., the right to the returned goods to the extent goods are saleable in market) which is included in inventories for the products expected to be returned and sold. The Company initially measures this asset at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods. Along with re-measuring the refund liability at the end of each reporting period, the Company updates the measurement of the asset recorded for any revisions to its expected level of returns, as well as any additional decreases in the value of the returned products.

(iii) Provision for rebates and discounts

Provisions for rebates, discounts and other deductions are estimated and provided for in the year of sales and recorded as reduction of revenue. Provisions for such rebates and discounts are accrued and estimated based on historical average rate actually claimed over a period of time, current contract prices with customers.

(iv) Inventories obsolescence

The factors that the Company considers in determining the provision for slow moving, obsolete and other non-saleable inventory include estimated shelf life, planned product discontinuances, price changes, ageing of inventory and introduction of competitive new products, to the extent each of these factors impact the Company's business and markets. The Company considers all these factors and adjusts the inventory obsolescence to reflect its actual experience on a periodic basis.

(v) Expected credit loss

In accordance with Ind AS 109 - Financial Instruments, the Company applies ECL model for measurement and recognition of impairment loss on the trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115 - Revenue from Contracts with Customers.

For this purpose, the Company follows 'simplified approach' for recognition of impairment loss allowance on the trade receivable balances, contract assets and lease receivables. The application of simplified approach requires expected lifetime losses to be recognised from initial recognition of the receivables based on lifetime ECLs at each reporting date.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

Notes to the Standalone Financial Statements

In case of other assets, the Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to twelve months ECL is measured and recognised as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognised as loss allowance

(vi) Accounting for defined benefit plans

In accounting for post-retirement benefits, several statistical and other factors that attempt to anticipate future events are used to calculate plan expenses and liabilities. These factors include expected return on plan assets, discount rate assumptions and rate of future compensation increases. To estimate these factors, actuarial consultants also use estimates such as withdrawal, turnover, and mortality rates which require significant judgement. The actuarial assumptions used by the Company may differ materially from actual results in future periods due to changing market and economic conditions, regulatory events, judicial rulings, higher or lower withdrawal rates, or longer or shorter participant life spans.

(vii) Impairment of non-financial assets

An impairment loss is recognised for the amount by which an asset's or cash-generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows from each asset or cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows, management makes assumptions about future operating results. These assumptions relate to future events and circumstances. The actual results may vary and may cause significant adjustments to the Company's assets.

In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors.

(viii) Fair value of financial instruments

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. Details of the assumptions used are given in the notes regarding financial assets and liabilities. In applying the valuation techniques, management makes maximum use of market inputs and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

1.3 Material Accounting Policies

1.3.1 Property, plant and equipment and Capital work-in-progress

(i) Recognition and measurement

Property, plant and equipment, is stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any. Cost of acquisition or construction of property, plant and equipment comprises its purchase price including import duties and non-refundable purchase taxes net of trade discounts, rebates and any directly attributable cost of bringing the item to its working condition for its intended use.

Freehold land has an unlimited useful life and therefore is not depreciated.

Property, plant and equipment acquired in a business combination, other than common control combination, are recognised at fair value at the acquisition date. Property, plant and equipment acquired under common control combination are recognised at carrying value at the acquisition date.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance cost are charged to the standalone statement of profit and loss during the period in which they are incurred.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as 'Capital work-in-progress'. Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under 'Other Non-Current Assets'.

Software for internal use, which is primarily acquired from third-party vendors, and which is an integral part of a tangible asset, including

Notes to the Standalone Financial Statements

consultancy charges for implementing the software, is capitalised as part of the related tangible asset. Subsequent costs associated with maintaining such software are recognised as expense as incurred. The capitalised costs are amortised over the estimated useful life of the software or the remaining useful life of the tangible fixed asset, whichever is lower.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

Capital work-in-progress included in non-current assets comprises of direct costs, related incidental expenses and attributable interest. Capital work-in-progress are not depreciated as these assets are not yet available for use.

(ii) Depreciation

Depreciation on property, plant, and equipment (other than freehold land) is calculated on pro-rata on the straight line method based on the useful life of the assets as indicated under Part C of Schedule II of the Companies Act 2013 except for certain assets where management believes and based on the technical evaluation and assessment that the useful lives adopted by it best represent the period over which an asset is expected to be available for use.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and, if expectations differ from previous estimates, the changes are accounted for as a change in an accounting estimate and adjusted prospectively.

The estimated useful lives are as follows:

Property, plant and equipment	Useful Life
Buildings - Factory and Administrative Buildings	25 to 40 years
Buildings - Ancillary structures	3 to 10 years
Plant and equipment	2 to 20 years
Furniture, fixtures and office equipment	3 to 10 years
Vehicles	4 to 8 years
Computers	3 years

(iii) De-recognition

An item of property, plant and equipment, is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the standalone statement of profit and loss.

1.3.2 Intangible assets

(i) Recognition and measurement

Intangible assets comprises of marketing intangibles, trademarks, technical know-how, brands, customer relationship, computer software, product related intangibles, distribution network and non - compete rights acquired separately are measured on initial recognition at cost. Further, payments to third parties for in-licensed products, generally take the form of up-front and milestones payments and are capitalised following a cost accumulation approach to variable payments (milestones) when receipt of economic benefits out of the separately purchased transaction is considered to be probable. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment loss, if any. Subsequent expenditures are capitalised only when they increase the future economic benefits embodied in the specific asset to which they relate.

(ii) In-Process Research and Development assets ("IPR&D") or Intangible assets under development

Acquired research and development intangible assets that are under development are recognised as In-Process Research and Development assets ("IPR&D") or Intangible assets under development. IPR&D assets are not amortised but evaluated for potential impairment on an annual basis or when there are indications that the carrying value may not be recoverable. Subsequent expenditure on an In-Process Research or Development project acquired separately or in a business combination and recognised as an intangible asset is:

- recognised as an expense when incurred, if it is research expenditure;
- capitalised if the cost can be reliably measured, the product or process is technically and commercially feasible and the Company has sufficient resources to complete the development and to use and sell the asset.

(iii) Expenditure on regulatory approval

Expenditure for obtaining regulatory approvals and registration of products for overseas markets is charged to the standalone statement of profit and loss.

Notes to the Standalone Financial Statements

(iv) Amortisation

The Company amortises intangible assets with a finite useful life using the straight-line method over the following useful lives:

Intangible assets	Useful Life
Marketing intangibles	2 to 25 years
Trademarks	2 to 15 years
Technical Know-how	2 to 15 years
Brands	2 to 15 years
Computer software	2 to 6 years

The amortisation period and the amortisation method for intangible assets with a finite useful life are reviewed at each reporting date and adjusted prospectively, if appropriate.

The amortisation expense on intangible assets with finite life is recognised in standalone statement of profit and loss under the head depreciation, impairment and amortisation expense.

(v) De-recognition of intangible assets

Intangible assets are de-recognised either on their disposal or where no future economic benefits are expected from their use. Losses arising on such de-recognition are recorded in the profit or loss and are measured as the difference between the net disposal proceeds, if any, and the carrying amount of respective intangible assets as on the date of de-recognition.

1.3.3 Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment properties. Investment property is measured initially at its cost, including related transaction costs and borrowing costs where applicable. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably.

Investment properties are depreciated using the straight-line method over their estimated useful lives.

Investment properties generally have a useful life of 5-60 years. The useful life has been determined based on technical evaluation performed by the management's expert.

1.3.4 Discontinued operations and assets classified as held for sale

A discontinued operation is a component of the entity that has been disposed off or is classified as held for sale and:

- represents a separate major line of business or geographical area of operations and;
- is part of a single co-ordinated plan to dispose of such a line of business or area of operations.

The results of discontinued operations are presented separately as a single amount as standalone statement of profit and loss after tax from discontinued operations in the statement of profit or loss.

Assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell.

An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the asset is recognised at the date of de-recognition.

Assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal Company classified as held for sale continue to be recognised.

Assets classified as held for sale are presented separately from the other assets in the Balance Sheet. The liabilities of a disposal Company classified as held for sale are presented separately from other liabilities in the Balance Sheet.

1.3.5 Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, an impairment test is performed each year at 31st March.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or the cash-generating unit. In determining fair value less costs of disposal,

Notes to the Standalone Financial Statements

recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

The goodwill acquired in a business combination is, for the purpose of impairment testing, allocated to cash-generating units that are expected to benefit from the synergies of the combination.

An impairment loss is recognised in the standalone statement of profit and loss if the estimated recoverable amount of an asset or its cash-generating unit is lower than its carrying amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Goodwill that forms part of the carrying amount of an investment in an associate is not recognised separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in an associate is tested for impairment as a single asset when there is objective evidence that the investment in an associate may be impaired.

1.3.6 Foreign currency translation

Foreign currency transactions and balances

Transactions in foreign currencies are translated to the functional currency of the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary items are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

1.3.7 Inventories

Inventories consists of raw materials and packing materials, stores, spares and consumables, work-in-progress, stock-in-trade and finished goods and are measured at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and costs necessary to make the sale.

Cost of inventories is determined on a weighted average basis.

Cost includes expenditures incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of finished goods and work-in-progress, cost includes an appropriate share of overheads based on normal operating capacity.

Raw materials and packing materials are considered at replacement cost if the finished products, in which they will be used, are expected to be sold at or above cost.

Stores and spares are inventories that do not qualify to be recognised as property, plant and equipment and consists of consumables, engineering spares (such as machinery spare parts), which are used in operating machines or consumed as indirect materials in the manufacturing process.

1.3.8 Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is initially recognised as deferred income at fair value and subsequently are recognised in standalone statement of profit and loss as other income on a systematic basis over the expected useful life of the related asset.

Export entitlement from government authority are recognised in the standalone statement of profit and loss as other operating revenue when the right to receive is established as per the terms of the scheme in respect of the exports made by the Company with no future related cost and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

Notes to the Standalone Financial Statements

1.3.9 Revenue recognition

(i) Sale of products

Revenues are recorded in the amount of consideration to which the Company expects to be entitled in exchange for performance obligations upon transfer of control to the customer and is measured at the amount of transaction price allocated to that performance obligation. The transaction price of goods sold and services rendered is net of estimated incentives, returns, rebates, sales tax and applicable trade discounts, allowances, Goods and Services Tax (GST) and amounts collected on behalf of third parties.

The Company recognises revenue from product sales when control of the product transfers, generally upon shipment or delivery, to the customer, or in certain cases, upon the corresponding sales by customer to a third party. Variable consideration are estimated and accounted in the same period the related sales occur. The methodology and assumptions used to estimate rebates and returns are monitored and adjusted regularly in the light of contractual and legal obligations, historical trends, past experience and projected market conditions. The revenue for such variable consideration is included in the Company's estimate of the transaction price only if it is highly probable that a significant reversal of revenue will not occur once any uncertainty is resolved. The Company estimates the amount of variable consideration using the expected value method or historical record of performance of similar contracts.

(ii) Sales by clearing and forwarding agents

Revenue from sales of generic products in India is recognised upon delivery of products to distributors by clearing and forwarding agents of the Company. Control in respect of ownership of generic products are transferred by the Company when the goods are delivered to distributors from clearing and forwarding agents. Clearing and forwarding agents are generally compensated on a commission basis as a percentage of sales made by them.

(iii) Out-licensing arrangements

Revenues include amounts derived from product out-licensing agreements. These arrangements typically consist of an initial up-front payment on inception of the license and subsequent payments dependent on achieving certain milestones in accordance with the terms prescribed in the agreement. In cases where the transaction has two or more components, the Company accounts for the delivered item (for example, the transfer of title to the intangible asset) as a separate unit of accounting and record revenue upon delivery of that component, provided that the Company can make a reasonable estimate of the fair value of the undelivered component. Otherwise, non-refundable up-front license fees received in connection with product out-licensing agreements are deferred and recognised over the balance period in which the Company has pending performance obligations.

Milestone payments which are contingent on achieving certain clinical milestones are recognised as revenues either on achievement of such milestones, over the performance period depending on the terms of the contract. If milestone payments are creditable against future royalty payments, the milestones are deferred and released over the period in which the royalties are anticipated to be paid.

Royalty revenue is recognised on an accrual basis in accordance with the substance of the relevant agreement (provided that it is probable that economic benefits will flow to the Company and the amount of revenue can be measured reliably). Royalty arrangements that are based on production, sales and other measures are recognised by reference to the underlying arrangement.

The Company estimates variable consideration in the form of sales-based milestones by using the expected value or most likely amount method, depending upon which method the Company expects to better predict the amount of consideration to which it will be entitled.

(iv) Service fee

Revenue from services rendered is recognised in the standalone statement of profit and loss as the underlying services are performed. Upfront non-refundable payments received under these arrangements are deferred and recognised as revenue over the expected period over which the related services are expected to be performed.

(v) Profit sharing revenues

The Company from time to time enters into marketing arrangements with certain business partners for the sale of its products in certain markets. Under such arrangements, the Company sells its products to the business partners at a non-

Notes to the Standalone Financial Statements

refundable base purchase price agreed upon in the arrangement and is also entitled to a profit share which is over and above the base purchase price. The profit share is typically dependent on the business partner's ultimate net sale proceeds or net profits, subject to any reductions or adjustments that are required by the terms of the arrangement. Such arrangements typically require the business partner to provide confirmation of units sold and net sales or net profit computations for the products covered under the arrangement.

Revenue in an amount equal to the base sale price is recognised in these transactions upon delivery of products to the business partners. An additional amount representing the profit share component is recognised as revenue only to the extent that it is highly probable that a significant reversal will not occur.

(vi) **Contract balances**

Contract assets - A Contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Contract liabilities- A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

1.3.10 Other income (interest income, Dividend and Others)

(i) **Interest income**

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(ii) **Dividends**

Dividend income from investments is recognised when the right to receive payment has been established, provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

(iii) **Other (other than interest and dividend income)**

Other Income consists of rent income, insurance claim, vendor settlement income and miscellaneous income and is recognised when it is probable that the economic benefits will flow to the Company and amount of income can be measured reliably.

1.3.11 Employee Benefits

(i) **Short-term employee benefits**

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits and are measured on undiscounted basis. Benefits such as salaries, wages, etc. and the expected cost of ex-gratia are recognised in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) **Defined contribution plans**

Post-retirement contribution plans such as Employees' Pension scheme, Labour Welfare Fund, Employee State Insurance Corporation (ESIC) are charged to the standalone statement of profit and loss for the year when the contributions to the respective funds accrue. The Company does not have any obligation other than the contribution made.

(iii) **Defined benefit plans**

a) Employee's provident fund

In accordance with the Employees' Provident Fund and Miscellaneous Provision Act, 1952, all eligible employees of the Company are entitled to receive benefits under the provident fund plan in which both the employee and employer (at a determined rate) contribute monthly to "Cipla Limited Employee's Provident Fund Trust", a Trust set up by the Company to manage the investments and distribute the amounts to employees at the time of separation from the Company or retirement, whichever is earlier.

Notes to the Standalone Financial Statements

This plan is a defined benefit obligation plan as the Company is obligated to provide its members a rate of return which should, at a minimum, meet the interest rate declared by the government-administered provident fund. A part of the Company's contribution is transferred to the government-administered pension fund. The contributions made by the Company and the shortfall of interest, if any, on the basis of an actuarial valuation are recognised as an expense in the standalone statement of profit and loss under "Employee benefits expense".

b) Gratuity obligations

Post-retirement benefit plans such as gratuity for eligible employees of the Company are calculated using projected unit credit method on the basis of actuarial valuation made by an independent actuary as at the reporting date. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable), and the return on plan assets (excluding net interest), is recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is included in retained earnings and will not be reclassified to the standalone statement of profit and loss.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the standalone statement of profit and loss.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the standalone statement of profit and loss as past service cost.

(iv) Other benefit plans

Liability in respect of compensated absences becoming due or expected to be availed within one year from the reporting date is recognised on the basis of undiscounted value of estimated amount required to be paid or estimated value of benefit expected to be availed by the employees. Liability in respect of compensated absences becoming due or expected to be availed more than one year after the reporting date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the standalone statement of profit and loss and are not deferred.

(v) Termination benefits

Termination benefits are recognised in the standalone statement of profit and loss at the earlier of the following dates:

(a) when the Company can no longer withdraw the offer of those benefits; or

(b) when the Company recognises costs for a restructuring that is within the scope of Ind AS 37: *Provisions, Contingent Liabilities and Contingent Assets* and involves the payment of termination benefits.

Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value in the standalone statement of profit and loss.

(vi) Other long-term employee benefits

The Company's net obligation in respect of other long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and previous periods. That benefit is discounted to determine its present value.

1.3.12 Share based payments

The Company operates equity-settled share based remuneration plans for its employees.

The Company recognises compensation expense relating to share based payments in accordance with Ind AS 102-*Share based Payment*. For share entitlement granted by the Company to its employees, the estimated fair value as determined on the date of grant, is charged to the standalone statement of Profit and Loss on a straight line basis over the vesting period and assessment of performance conditions if any, with a corresponding increase in equity.

Upon exercise of share options, the proceeds received, net of any directly attributable transaction costs, are allocated to share capital up to the nominal (or par) value of the shares issued with any excess being recorded as share premium.

Notes to the Standalone Financial Statements

1.3.13 Taxes

Income tax expense comprises of current tax expense and deferred tax expense/benefit. Current and deferred taxes are recognised in the standalone statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity.

(i) Current income tax

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the applicable income tax law of the respective jurisdiction. The current tax is calculated using tax rates that have been enacted or substantively enacted, at the reporting date and any adjustment to tax payable in respect of previous years. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(ii) Deferred tax

Deferred tax is recognised using the Balance Sheet approach on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be recovered or settled.

The Company recognises deferred tax liability for all taxable temporary differences associated with investments in subsidiaries and associates, except to the extent that both of the following conditions are satisfied:

- When the Company is able to control the timing of the reversal of the temporary difference; and
- It is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities.

(iii) Uncertain tax positions

Accruals for uncertain tax positions require management to make judgements of potential exposures. Accruals for uncertain tax positions are measured using either the most likely amount or the expected value amount depending on which method the entity expects to better predict the resolution of the uncertainty. Tax benefits are not recognised unless the tax positions will probably be accepted by the tax authorities. This is based upon management's interpretation of applicable laws and regulations and the expectation of how the tax authority will resolve the matter. Once considered probable of not being accepted, management reviews each material tax benefit and reflects the effect of the uncertainty in determining the related taxable amounts.

1.3.14 Leases

The Company's lease asset classes primarily consist of leases for land, Plant and equipments, buildings and flat, vehicle and computers. The Company assesses whether a contract is or contains a lease, at the inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

(i) the contract involves the use of an identified asset;

(ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease; and

(iii) the Company has the right to direct the use of the asset.

Notes to the Standalone Financial Statements

The right-of-use asset is a lessee's right to use an asset over the life of a lease. At the date of commencement of the lease, the Company recognises a right-of-use asset ('ROU') and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases of low value assets. For these leases of low value assets, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease. The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

Lease liability is initially measured at the present value of future lease payments. Lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. Lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability and reducing the carrying amount to reflect the lease payments made. A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

1.3.15 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank including fixed deposit with original maturity period of three months or less and short-term highly liquid investments with an original maturity of three months or less.

1.3.16 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date. If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provision for onerous contracts

A provision for onerous contracts is recognised in the standalone statement of profit and loss when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.

1.3.17 Contingent liabilities and assets

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. The Company does recognise a contingent liability but discloses its existence in the financial statements.

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

1.3.18 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial assets

(a) Initial recognition and measurement

All financial assets excluding trade receivables are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the date the Company commits to purchase or sell the financial assets.

Notes to the Standalone Financial Statements

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, in which case they are recognised at fair value. The Company's trade receivables do not contain any significant financing component and hence are measured at the transaction price measured under Ind AS 115 "*Revenue from Contracts with Customers*".

(b) Subsequent measurement

For subsequent measurement, the Company classifies a financial asset in accordance with the below criteria:

- The Company's business model for managing the financial asset and
- The contractual cash flow characteristics of the financial asset:

Based on the above criteria, the Company classifies its financial assets into the following categories:

a) Debt instruments at amortised cost;

b) Debt instruments at FVTOCI;

c) Debt instruments, derivatives and equity instruments at FVTPL; and

d) Equity instruments measured at FVTOCI.

(i) Debt instruments at amortised cost

A 'debt instrument' is subsequently measured at the amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in Other Income in the profit or loss. The losses arising from impairment are recognised in the standalone statement of profit and loss.

(ii) Debt instrument at fair value through other comprehensive income (FVTOCI)

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Company recognises interest income, impairment losses and reversals and foreign exchange gain or loss in the profit or loss. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to profit or loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

(iii) Debt instrument at fair value through profit or loss (FVTPL)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL. In addition, the Company may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the FVTPL category are measured at fair value with all the changes in the standalone statement of profit and loss.

(iv) Equity instruments

All equity instruments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present subsequent changes in the fair value in OCI. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, including foreign exchange gain or loss and excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the standalone statement of profit and loss.

Notes to the Standalone Financial Statements

(c) De-recognition

A financial asset is primarily derecognised (i.e. removed from the Company's Balance Sheet) when:

a) The contractual rights to receive cash flows from the asset have expired, or

b) The Company has transferred its rights to receive contractual cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement, ₹ and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in OCI and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

(d) Impairment of financial assets (trade receivables and other financial assets)

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or any contractual right to receive cash or another financial asset. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

(ii) Financial liabilities

(a) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

(b) Subsequent measurement

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

(c) Financial liabilities at fair value through profit or loss

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or is designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred principally for the purpose of repurchasing in the near term or on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-

Notes to the Standalone Financial Statements

taking. This category also includes derivative financial instruments that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For instruments not held-for-trading financial liabilities designated as at FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognised in OCI, unless the recognition of the effects of changes in the liability's credit risk in OCI would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognised in profit or loss. These gains / losses are not subsequently transferred to profit or loss. All other changes in fair value of such liability are recognised in the standalone statement of profit and loss.

(d) Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost in subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest rate (EIR) method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item in the profit or loss. After initial recognition, such financial liabilities are subsequently measured at amortised cost using the EIR method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the standalone statement of profit and loss.

(e) De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the standalone statement of profit and loss.

(iii) Derivative financial instruments

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment.
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.

Fair value hedges:

The Company uses derivative forward contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which derivative contract is entered into and are subsequently re-measured at fair value at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to standalone statement of profit and loss.

Hedge accounting is discontinued when the Company revokes the hedge relationship, the hedging instrument or hedged item expire or sold, terminated, or exercised or no longer meets the criteria for hedge accounting.

Cash flow hedge:

The Company classifies its foreign exchange forward and currency options contracts and interest rate swaps that hedge foreign currency risk associated with highly probable forecasted as cash flow hedges and measures them at fair value. The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under hedging reserve. The gain or loss relating to the

Notes to the Standalone Financial Statements

ineffective portion is recognised immediately in the standalone statement of profit and loss and is included in the 'Other income/expenses' line item. Amounts previously recognised in other comprehensive income and accumulated in equity relating to effective portion (as described above) are reclassified to the standalone statement of profit and loss in the periods when the hedged item affects standalone statement of profit and loss, in the same line as the recognised hedged item.

When the hedging instrument expires or is sold or terminated or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain/loss at that time remains in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, the cumulative gain/loss that was reported in equity are immediately reclassified to standalone statement of profit and loss.

(iv) Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of:

- the amount determined in accordance with the expected credit loss model as per Ind AS 109 – *Financial Instruments*; and
- the amount initially recognised less, where appropriate, cumulative amount of income recognised in accordance with the principles of Ind AS 115 – *Revenue from Contracts with Customers*.

The fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations. Where guarantees in relation to loans or other payables of associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

(v) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

1.3.19 Business combinations

The Company accounts for business combinations using acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Company. The Company determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The Company has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all the fair value of the gross assets acquired is concentrated in a single identifiable assets or Company of similar identifiable assets. Control exists when the Company is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive. The Company measures goodwill as of the applicable acquisition date at the fair value of the consideration transferred, less the net recognised amount of the identifiable assets acquired and liabilities assumed.

When the fair value of the net identifiable assets acquired and liabilities assumed exceeds the consideration transferred, a bargain purchase gain is recognised immediately in the OCI and accumulates the same in equity as capital reserve where there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase else the gain is directly recognised in equity as capital reserve. Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Company to the previous owners of the acquiree, and equity interests issued by the Company. Consideration transferred also includes the fair value of any contingent consideration. Consideration transferred does not include amounts related to the settlement of pre-existing relationships and employee service-related payments. Any goodwill that arises on account of such business combination is tested annually for impairment.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date. Any gains or losses arising from such re-measurement are recognised in the standalone statement of profit and loss or OCI, as appropriate.

Notes to the Standalone Financial Statements

Any contingent consideration is measured at fair value at the date of acquisition. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not re-measured, and the settlement is accounted for within equity. Otherwise, other contingent consideration is re-measured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recorded in the statement of profit and loss.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

On an acquisition-by-acquisition basis, the Company recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

Transaction costs that the Company incurs in connection with a business combination are expensed as incurred.

Business Combination involving entities or businesses under common control is accounted for using the pooling of interest method.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

1.3.20 Exceptional Items

An item of income or expense which by its size, type or incidence requires disclosure in order to improve an understanding of the performance of the Company is treated as an exceptional item and the same is disclosed in standalone statement of profit and loss and in the notes forming part of the standalone financial statements.

1.3.21 Recent accounting pronouncement

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended 31st March, 2025, MCA has notified Ind AS – 117 Insurance Contracts and amendments to Ind AS 116 – Leases, relating to sale and leaseback transactions, applicable to the Company w.e.f. 1st April, 2024. The Company has reviewed the new pronouncements and based on its evaluation has determined that it does not have any significant impact in its Standalone financial statements.

1.3.22 New and amended standards issued but not effective:

There are no new and amended standards that are issued, but not yet effective as of 31st March, 2025.

Notes to the Standalone Financial Statements

Note 2.1: Property, plant and equipment

₹ in Crores

Particulars	Freehold land[iv]	Buildings and flats[i & iv]	Plant and equipment[ii]	Furniture and fixtures	Office equipment	Vehicles	Total
Gross carrying value							
Balance as at 1st April, 2023	**44.48**	**1,990.97**	**4,616.59**	**114.34**	**109.81**	**7.56**	**6,883.75**
Additions for the year	-	18.04	382.24	8.09	16.44	1.43	**426.24**
Transfer to investment property (refer note 3)	-	(64.49)	(0.77)	(0.92)	(1.22)	-	**(67.40)**
Transferred to assets classified as held for sale (refer note 2.3)	-	(0.09)	(177.92)	(1.62)	(1.30)	-	**(180.93)**
Transfer on account of discontinued operations (refer note 37)	-	-	(0.98)	-	(0.03)	-	**(1.01)**
Deletions and adjustments during the year	-	(7.10)	(84.96)	(1.30)	(1.77)	(0.25)	**(95.38)**
Balance as at 31st March, 2024	**44.48**	**1,937.33**	**4,734.20**	**118.59**	**121.93**	**8.74**	**6,965.27**
Additions for the year	5.36	28.86	467.09	9.71	26.05	1.21	**538.28**
Transfer from investment property (refer note 3)	-	0.34	-	-	-	-	**0.34**
Transferred from assets classified as held for sale (refer note 2.3)	-	0.09	40.01	0.68	0.18	-	**40.96**
Deletions and adjustments during the year	-	(0.64)	(111.74)	(1.81)	(6.82)	(0.45)	**(121.46)**
Balance as at 31st March, 2025	**49.84**	**1,965.98**	**5,129.56**	**127.17**	**141.34**	**9.50**	**7,423.39**
Accumulated depreciation and impairment							
Accumulated balance as at 1st April, 2023	**-**	**448.94**	**2,817.61**	**78.25**	**84.31**	**4.97**	**3,434.08**
Depreciation charge for the year	-	58.53	360.56	7.28	7.42	0.64	**434.43**
Impairment charge for the year [iii]	-	0.50	36.49	0.36	0.07	-	**37.42**
Transfer to investment property (refer note 3)	-	(8.56)	(0.65)	(0.75)	(1.15)	-	**(11.11)**
Transferred to assets classified as held for sale (refer note 2.3)	-	(0.06)	(131.98)	(1.19)	(1.18)	-	**(134.41)**
Transfer on account of discontinued operations (refer note 37)	-	-	(0.47)	-	(0.03)	-	**(0.50)**
Deletions and adjustments during the year	-	(1.06)	(68.94)	(1.14)	(1.60)	(0.21)	**(72.95)**
Accumulated balance as at 31st March, 2024	**-**	**498.29**	**3,012.62**	**82.81**	**87.84**	**5.40**	**3,686.96**
Depreciation charge for the year	-	58.57	369.54	7.13	10.48	0.71	**446.43**
Impairment charge for the year [iii]	-	0.48	2.91	-	-	-	**3.39**
Transfer from investment property (refer note 3)	-	0.07	-	-	-	-	**0.07**
Transferred from assets classified as held for sale (refer note 2.3)	-	0.06	34.23	0.45	0.16	-	**34.90**
Deletions and adjustments during the year	-	(0.38)	(87.17)	(1.60)	(6.32)	(0.42)	**(95.89)**
Accumulated balance as at 31st March, 2025	**-**	**557.09**	**3,332.13**	**88.79**	**92.16**	**5.69**	**4,075.86**
Net carrying value							
As at 31st March, 2025	**49.84**	**1,408.89**	**1,797.43**	**38.38**	**49.18**	**3.81**	**3,347.53**
As at 31st March, 2024	**44.48**	**1,439.04**	**1,721.58**	**35.78**	**34.09**	**3.34**	**3,278.31**

i. The gross value of buildings and flats include the cost of shares in co-operative housing societies.

ii. The above additions to property, plant and equipment during the year includes ₹ 32.63 crores (31st March, 2024: ₹ 40.89 crores) used for research and development.

iii. The impairment charge for the year ₹ 3.39 crores (31st March, 2024: ₹ 37.42 crores) includes impairment charge on certain assets that have been assessed as non-usable by the management and has been recorded at scrap value less cost to sell.

iv. The title deeds of the immovable properties are held in the name of the Company.

v. The Company has not revalued its property, plant and equipment.

vi. The Company has not created any charge on its property, plant and equipment.

Notes to the Standalone Financial Statements

Note 2.2: Right-of-use assets

Following are the changes in the carrying value of right-of-use assets:

₹ in Crores

Particulars	Category of ROU asset				
	Land	Buildings and Flats	Computers	Plant and equipment	Total
Balance recognised as at 1st April, 2023	**58.93**	**38.70**	**0.13**	**0.40**	**98.16**
Additions during the year	-	9.33	-	-	9.33
Deletions during the year	-	(0.51)	-	-	(0.51)
Depreciation charge for the year	(2.07)	(12.66)	(0.13)	(0.04)	(14.90)
Balance as at 31st March, 2024	**56.86**	**34.86**	**-**	**0.36**	**92.08**
Additions during the year	-	86.61	-	-	86.61
Depreciation charge for the year	(2.08)	(16.46)	-	(0.04)	(18.58)
Balance as at 31st March, 2025	**54.78**	**105.01**	**-**	**0.32**	**160.11**

i. The lease agreements for immovable properties where the Company is the lessee are duly executed in favour of the Company.

ii. The Company has not revalued its Right-of-use assets.

iii. The weighted average incremental borrowing rate applied to lease liability is in the range of 8.70% to 12.45% (31st March, 2024: 9.50% to 12.45%).

Note 2.2: Right-of-use assets (Contd..)

The following is the break-up of current and non-current lease liabilities:

₹ in Crores

Particulars	As at 31st March, 2025	As at 31st March, 2024
Current lease liabilities	31.20	16.00
Non-current lease liabilities	86.18	29.55
Total	**117.38**	**45.55**

The following is the movement in lease liabilities:

₹ in Crores

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Opening balance	**45.55**	**50.09**
Additions during the year	86.61	9.33
Deletions, modifications and adjustments during the year	(0.02)	(1.36)
Finance cost accrued during the year (refer note 33)	6.50	5.55
Payment of lease liabilities (outflow)	(21.26)	(18.06)
Closing balance	**117.38**	**45.55**

The above movement in lease liability is also the reconciliation of borrowings as per Ind AS 7.

Note 2.2: Right-of-use assets (Contd..)

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

₹ in Crores

Particulars	As at 31st March, 2025	As at 31st March, 2024
Less than one year	32.40	16.85
One to five years	95.43	34.26
More than five years	20.69	7.56
Total	**148.52**	**58.67**
Less: Financial component	(31.14)	(13.12)
	117.38	**45.55**

Right-of-use assets	Range of remaining term	
	As at 31st March, 2025	As at 31st March, 2024
Leasehold land	5 to 90 years	6 to 91 years
Buildings and flats	1 to 10 Years	1 to 6 years
Plant and Equipment	8 Years	9 Years

Rental expense recorded for short-term and low- value leases during the year is ₹ 53.07 crores (31st March, 2024: ₹ 52.35 crores)

The aggregate depreciation on Right-of-use assets has been included under depreciation, impairment and amortisation expenses in the Statement of Profit and Loss.

Notes to the Standalone Financial Statements

Note 2.2: Right-of-use assets (Contd..)

Where Company is lessor-

The Company has given certain premises under operating lease or leave and license agreement. The Company retains substantially all risks and benefits of ownership of the leased asset and hence classified as operating lease. Lease income on such operating lease is recognised in profit or loss under 'Rent' in Note 28 - Other income.

Note 2.3: Assets classified as held for sale

₹ in Crores

Particulars	As at 31st March, 2025	As at 31st March, 2024
Property, plant and equipment*	37.32	46.52
Capital work-in-progress	2.23	2.44
	39.55	**48.96**

*net of accumulated depreciation and amortisation and movements during the year

Movement of Asset Classified as held for Sale

₹ in Crores

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Opening Balance	**48.96**	**-**
Transfer (to)/ from property, plant and equipment	(6.06)	46.52
Transfer (to)/ from Capital work-in-progress	(0.02)	2.44
Impairment during the year (refer note 34)	(3.33)	-
Closing Balance	**39.55**	**48.96**

Note 2.3: Assets classified as held for sale (Contd..)

During previous year, the Company committed to plan to sell part of manufacturing facility at Goa. Accordingly, part of that facility was presented as a disposal group held for sale as of 31st March, 2024. In current year, asset sale agreement has been signed and accordingly assets will be derecognised in next financial year based on conditions as specified in agreement.

Note 2.4: Details of capital work-in-progress

₹ in Crores

Particulars	As at 31st March, 2025	As at 31st March, 2024
Opening balance	**580.90**	**441.53**
Additions during the year	490.22	583.46
Transfer on account of discontinued operations (refer note 37)	-	(1.21)
Capitalised during the year	(538.28)	(426.24)
Transferred from/(to) assets classified as held for sale (refer note 2.3)	0.02	(2.44)
Impairment during the year[i]	(9.75)	(14.20)
Closing Balance	**523.11**	**580.90**

i. The impairment loss relates to certain capital work-in-progress that has been assessed as non-usable by the management and has been recorded at the scrap value less cost to sell.

ii. Capital work-in-progress ageing schedule

The table below provides details regarding the CWIP ageing schedule as of 31st March, 2025:

₹ in Crores

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress	305.06	154.07	54.70	9.28	523.11
Projects temporarily suspended	-	-	-	-	-
Total	**305.06**	**154.07**	**54.70**	**9.28**	**523.11**

The table below provides details regarding the CWIP ageing schedule as of 31st March, 2024:

₹ in Crores

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress	353.84	180.32	18.68	28.06	580.90
Projects temporarily suspended	-	-	-	-	-
Total	**353.84**	**180.32**	**18.68**	**28.06**	**580.90**

iii. CWIP completion schedule

There are no projects under capital work-in-progress, whose completion is either overdue or has exceeded its cost compared to its original plan as on 31st March, 2025 and 31st March, 2024.

Notes to the Standalone Financial Statements

Note 3: Investment properties

₹ in Crores

Particulars	As at 31st March, 2025	As at 31st March, 2024
Gross carrying value		
Opening balance	**141.92**	**74.52**
Deductions/adjustments	(0.42)	-
Transfer (to)/ from property, plant and equipment {refer note 2.1 and (ii) below}	(0.34)	67.40
Closing balance	**141.16**	**141.92**
Accumulated depreciation		
Opening balance	**26.43**	**12.80**
Transfer(to)/ from property, plant and equipment {refer note 2.1 and (ii) below}	(0.07)	11.11
Depreciation for the year (refer note 34)	2.33	2.52
Deductions/adjustments	(0.40)	-
Closing balance	**28.29**	**26.43**
Net carrying value	**112.87**	**115.49**
Fair value	233.09	216.94

(i) Rental income recognised in profit or loss for investment properties aggregates to ₹ 15.40 crores (31st March, 2024: ₹ 14.16 crores).

Details of total direct operating expenses on investment property:-

₹ in Crores

Particulars	As at 31st March, 2025	As at 31st March, 2024
Income-generating property	0.70	0.72
Vacant property	-	-
Total	**0.70**	**0.72**

Note 3: Investment properties (Contd..)

(ii) During previous year, a building was transferred from Property, plant and equipment because it was not used to the full capacity by the Company and it was decided that the building would be leased to third party.

Estimation of fair value

The fair valuation of the assets is based on the perception about the macro and micro economic factors presently governing the construction industry, location of property, existing market conditions, degree of development of infrastructure in the area, demand supply conditions, internal amenities, common amenities, etc.

This value is based on valuation conducted by an external valuation specialist who is registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017.

Minimum lease payments receivable on leases of investment properties are as follows:

₹ in Crores

Particulars	As at 31st March, 2025	As at 31st March, 2024
Less than one year	7.22	13.08
One to five years	4.55	57.08
More than five years	-	-
Total	**11.77**	**70.16**

Note 4: Intangible assets

₹ in Crores

Particulars	Software	Marketing intangibles	Technical know-how	Trademarks	Brands	Total
Gross carrying value						
Balance as at 1st April, 2023	**231.52**	**239.29**	**4.67**	**172.63**	**66.55**	**714.66**
Additions for the year (acquired separately)	5.85	79.54	-	32.07	-	117.46
Transfer on account of discontinued operations (refer note 37)	(0.33)	-	-	-	-	(0.33)
Balance as at 31st March, 2024	**237.04**	**318.83**	**4.67**	**204.70**	**66.55**	**831.79**
Additions for the year (acquired separately)	7.78	82.28	18.03	5.67	-	113.76
Deletions and adjustments during the year	(0.12)	-	-	-	-	(0.12)
Balance as at 31st March, 2025	**244.70**	**401.11**	**22.70**	**210.37**	**66.55**	**945.43**
Amortisation and impairment						
Accumulated balance as at 1st April, 2023	**217.56**	**199.05**	**4.67**	**56.86**	**37.07**	**515.21**
Amortisation charge for the year	9.39	42.76	-	16.38	13.11	81.64
Transfer on account of discontinued operations (refer note 37)	(0.29)	-	-	-	-	(0.29)
Impairment charge for the year[i]	-	2.48	-	-	-	2.48
Accumulated balance as at 31st March, 2024	**226.66**	**244.29**	**4.67**	**73.24**	**50.18**	**599.04**

Notes to the Standalone Financial Statements

Note 4: Intangible assets (Contd..)

₹ in Crores

Particulars	Software	Marketing intangibles	Technical know-how	Trademarks	Brands	Total
Amortisation charge for the year	8.73	46.36	1.24	19.95	13.11	89.39
Deletions and adjustments during the year	(0.12)	-	-	-	-	(0.12)
Impairment charge for the year	-	-	-	-	-	-
Accumulated balance as at 31st March, 2025	**235.27**	**290.65**	**5.91**	**93.19**	**63.29**	**688.31**
Net carrying value						
As at 31st March, 2025	**9.43**	**110.46**	**16.79**	**117.18**	**3.26**	**257.12**
As at 31st March, 2024	**10.38**	**74.54**	**-**	**131.46**	**16.37**	**232.75**

i. In previous year, due to change in market conditions and dynamics, the carrying amount of certain marketing intangibles were reduced to its recoverable amount by recognition of an impairment loss in profit or loss.

ii. The Company has not revalued its intangible assets.

Intangible assets under development

₹ in Crores

Particulars	As at 31st March, 2025	As at 31st March, 2024
Opening balance	**89.37**	**62.72**
Additions during the year	140.37	144.11
Capitalised during the year	(113.76)	(117.46)
Less: Impairment charge during the year	(0.69)	-
Closing balance	**115.29**	**89.37**

Acquisition of significant intangibles:

(a) Acquisition/capitalisation of intangibles during current year

Product	Date of agreement/ completion/launch date	₹ in Crores	Type of deal
Amoxicillin and Clavulanic acid	2nd July, 2024	45.98	Acquisition of Amoxicillin from Wockhardt Bio AG

(b) Acquisition/capitalisation of intangibles during previous year

Product	Date of agreement/ completion/launch date	₹ in Crores	Type of deal
Galvus	10th April, 2023	77.00	Acquisition of Galvus from Novartis
Mexohar	31st March, 2024	32.07	Acquisition of Trademark - Mexohar

Contingent consideration (On achievement of sale target as per agreement):

As at 31st March, 2025 and 31st March, 2024, the fair value of the contingent consideration was assessed as ₹ Nil in respect of acquired intangibles as the sales targets are not probable and estimable. Determination of the fair value as at balance sheet date is based on discounted cash flow method. Contingent consideration is arrived at, basis weighted average probability approach of achieving various financial and non-financial performance targets. Basis the future projections and the performance of the products, the contingent consideration is subject to revision on a yearly basis.

i. Intangible assets under development ageing schedule

The table below provides details regarding the Intangible assets under development ageing schedule as of 31st March, 2025:

₹ in Crores

Particulars	Amount in intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	47.06	24.40	0.54	43.29	115.29
Projects temporarily suspended	-	-	-	-	-
Total	**47.06**	**24.40**	**0.54**	**43.29**	**115.29**

Notes to the Standalone Financial Statements

Note 4: Intangible assets (Contd..)

The table below provides details regarding the Intangible assets under development ageing schedule as of 31st March, 2024:

₹ in Crores

Particulars	Amount in intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	29.69	1.18	11.43	47.07	89.37
Projects temporarily suspended	-	-	-	-	-
Total	**29.69**	**1.18**	**11.43**	**47.07**	**89.37**

ii. Intangible assets under development completion schedule

There are no intangible assets under development, whose completion is either overdue or has exceeded its cost compared to its original plan as on 31st March, 2025 and 31st March, 2024.

Note 5: Non-current investments

₹ in Crores

Particulars	No. of units	As at 31st March, 2025	No. of units	As at 31st March, 2024
(Unquoted, except otherwise stated)				
(A) Investment in equity instruments - carried at cost/ deemed cost				
I. Investments in Subsidiaries				
Equity shares of Goldencross Pharma Limited of ₹ 10 each, fully paid	45,966	191.12	45,966	191.12
Equity shares of Cipla Pharmaceuticals Limited of ₹ 10 each, fully paid [i]	13,00,00,000	268.44	6,08,06,452	83.00
Equity shares of Meditab Specialities Limited of ₹ 1 each, fully paid	71,18,416	382.57	71,18,416	382.57
Meditab Specialities Limited (equity component of inter corporate deposits)	-	107.50	-	107.50
Equity shares of Cipla (EU) Limited of GBP 1 each, fully paid [ii & x]	59,25,20,996	5,655.76	57,80,32,438	5,499.76
Equity shares of Cipla Medpro South Africa (Pty) Limited of 0.1 cent each, fully paid [iii](net)*	49,14,83,101	2,507.25	45,07,40,684	2,081.09
Equity shares of Cipla Holding B.V. of EUR 100 each, fully paid	1,00,367	80.48	1,00,367	80.48
Equity shares of Cipla Pharma and Life Sciences Limited of ₹ 10 each, fully paid [ix] (net)*	25,87,08,433	375.62	25,87,08,433	80.96
Equity shares of Saba Investment Limited of USD 1 each, fully paid [xii]	-	-	-	-
Equity shares of Jay Precision Pharmaceuticals Private Limited of ₹ 10 each, fully paid	24,06,000	96.24	24,06,000	96.24
Equity shares of Cipla Health Limited of ₹ 10 each, fully paid	23,25,213	631.51	23,25,213	631.51
Equity shares of Cipla Digital Health Limited of ₹ 10 each, fully paid [iv & xi]	3,50,00,000	35.00	3,00,00,000	30.00
Equity shares of Cipla USA Inc of USD 0.01 each, fully paid	1	0.08	1	0.08
Sub-total (I)		**10,331.57**		**9,264.31**
II. Investments in associate				
Equity shares of GoApptiv Private Limited of ₹ 10 each, fully paid	6,927	1.80	6,927	1.80
Class A Equity shares of GoApptiv Private Limited of ₹ 10 each, fully paid	4,618	8.25	4,618	8.25
Class B Equity shares of GoApptiv Private Limited of ₹ 10 each, fully paid	1,904	7.00	1,904	7.00
Equity shares of Achira Labs Private Limited of ₹ 1 each, fully paid	1,04,074	2.00	1,04,074	2.00

Notes to the Standalone Financial Statements

Note 5: Non-current investments (Contd..)

₹ in Crores

Particulars	No. of units	As at 31st March, 2025	No. of units	As at 31st March, 2024
Equity shares of AMPSolar Power Systems Private Limited of ₹ 10 each, fully paid	1,01,800	0.01	1,01,800	0.01
Equity shares of AMP Energy Green Eleven Private Limited of ₹ 10 each, fully paid	7,50,000	0.08	7,50,000	0.08
Sub-total (II)		**19.14**		**19.14**
Total (A)		**10,350.71**		**9,283.45**
(B) Investment in equity instruments - carried at fair value through profit or loss (FVTPL)				
Equity shares of Saraswat Co-operative Bank Limited of ₹ 10 each, fully paid ₹ 10,000 (31st March, 2024: ₹ 10,000)	1,000	0.00	1,000	0.00
Total (B)		**0.00**		**0.00**
(C) Investment in equity instruments - carried at fair value through other comprehensive income (FVTOCI)				
Equity shares of Swasth Digital Health Foundation of ₹ 100 each, fully paid	5,000	0.05	5,000	0.05
Total (C)		**0.05**		**0.05**
(D) Investment in Preference Shares- carried at cost				
Investments in associate				
0.001% Compulsorily Convertible Preference Shares of GoApptiv Private Limited ₹ 10 each	27,706	7.20	27,706	7.20
0.001% Compulsorily Convertible Non-Cumulative Preference Shares of GoApptiv Private Limited ₹ 10 each [xiii]	19,415	52.65	19,415	52.65
Compulsorily Convertible Preference Shares of Achira Labs Private Limited ₹ 10 each	10,32,949	23.00	10,32,949	23.00
Total (D)		**82.85**		**82.85**
(E) Investment in optionally convertible (Redeemable) Preference Shares-carried at cost				
Optionally Convertible (Redeemable) Preference Shares of Achira Labs Private Limited ₹ 10 each[v]	60,00,000	6.00	-	-
Total (E)		**6.00**		**-**
(F) Investments in debentures - carried at amortised cost				
Investments in associate				
0.01% Compulsory Convertible Debentures of AMPSolar Power Systems Private Limited of ₹ 1000 each, fully paid	1,00,742	1.10	1,00,742	0.99
0.01% Compulsory Convertible Debentures of AMP Energy Green Eleven Private Limited of ₹ 1000 each, fully paid	67,500	0.76	67,500	0.68
Total (F)		**1.86**		**1.67**
(G) Investment in Limited Liability Partnership (LLP) - carried at amortised cost				
Investments in associates				
Clean Max Auriga Power LLP	-	5.87	-	6.14
Total (G)		**5.87**		**6.14**
(H) Other Investments				
I. Investment in Venture Funds carried at FVTOCI				
Contribution towards Early Spring Contribution [vi & xiv]	-	7.04	-	2.62
Contribution towards Alkemi Ventures [vii & xiv]	-	6.88	-	3.66
Sub-total (I)		**13.92**		**6.28**

Notes to the Standalone Financial Statements

Note 5: Non-current investments (Contd..)

₹ in Crores

Particulars	No. of units	As at 31st March, 2025	No. of units	As at 31st March, 2024
II. Investment in Limited Liability Partnership (LLP) - carried at fair value through other comprehensive income (FVTOCI)				
ABCD Technologies LLP viii	-	40.41	-	29.72
Sub-total (II)		**40.41**		**29.72**
III. Investment in government securities carried at amortised cost				
National savings certificates ₹ 41,000 (31st March, 2024: ₹ 41,000)		0.00		0.00
Sub-total (III)		**0.00**		**0.00**
Total (H)		**54.33**		**36.00**
		10,501.68		**9,410.17**
Aggregate amount of unquoted investments		10,501.68		9,410.17
*Aggregate amount of impairment/ opening Ind AS fair value adjustment in value of investment		675.65		970.31

Notes for changes in current year:

i. Pursuant to the Board resolutions passed on 3rd May 2024, 16th July, 2024, 15th October, 2024 and 30th January, 2025 the Company further invested ₹ 185.44 crore and acquired 6,91,93,548 equity shares of Cipla Pharmaceuticals Limited of ₹ 10 each at ₹ 26.80 per share.

ii. Pursuant to the Board resolutions passed on 25th January, 2023, 26th July, 2023, 10th May, 2024 and 3rd September, 2024 the Company further invested ₹ 156 crore and acquired 1,40,34,597 equity shares of Cipla (EU) Limited of GBP 1 each.

iii. Pursuant to the Board resolutions passed on 5th December, 2024, the Company further invested ₹ 426.16 crore and acquired 4,07,42,417 equity shares of Cipla Medpro South Africa (Pty) Limited at fair market value.

iv. Pursuant to the Board resolutions passed on 29th October, 2024, the Company further invested ₹ 5 crore and acquired 50,00,000 equity shares of Cipla Digital Health Limited of ₹ 10 each.

v. Pursuant to the Board resolutions passed on 25th January, 2024, the Company have invested ₹ 6 crore and acquired 60,00,000 optionally convertible (redeemable) preference shares of Achira Labs Private Limited ₹ 10 each. The OCPS shall carry a preferential cumulative compounded dividend at rate of 0.0001% per annum and the company has right to convert it or redeem as per terms as specified in the agreement.

vi. The Company further invested ₹ 4.62 crores in Early Spring as per contribution agreement entered in previous year for committing upto lower of ₹ 32.88 Crores or 10% of the total capital commitment of the Funds at the final closing date.

vii. During the year, the Company further invested ₹ 3.22 crores in Alkemi Ventures as per contribution agreement entered in previous year for committing upto lower of ₹ 33.10 Crores or 10% of the total capital commitment of the Funds at the final closing date.

viii. The Company further invested ₹ 10 crores in ABCD Technologies LLP.

ix. Current year includes ₹ 294.66 Crores with respect to reversal of impairment loss recognized in earlier years for the investment in the wholly owned subsidiary, Cipla Pharma and Life Sciences Limited. The same is accounted as exceptional items in profit and loss account.

Notes for changes in previous year:

x. Pursuant to the Board resolutions passed on 25th January, 2023, 10th May, 2023, 26th July, 2023 and 6th November 2023, the Company further invested ₹ 263.36 crore and acquired 2,53,51,238 equity shares of Cipla (EU) Limited of GBP 1 each.

xi. The Company further invested ₹ 16.50 crores and acquired 1,65,00,000 equity shares of Cipla Digital Health Limited of ₹ 10 each.

xii. Pursuant to the execution of the Share Purchase Agreement dated 28th September, 2023 between the Company, Saba Investment Limited, UAE ("Saba") and Shibham Group Holding Limited, UAE, the Company has divested its 51% stake held in Saba for a consideration of ₹ 49.82 crores. Accordingly the Company has derecognised its investments and recognised gain of ₹ 4.93 Crores in other income.

xiii. On 14th December, 2023, the Company has entered into a definitive agreements for further investments in GoApptiv Private Limited for a total consideration of ₹ 42 Crores. Pursuant to this, the Company acquired 1,904 equity shares of ₹ 10 each and 9,526, 0.001% Compulsorily Convertible Non-Cumulative Preference Shares of ₹ 10 each for a total consideration of ₹ 35.00 Crores.

Notes to the Standalone Financial Statements

Note 5: Non-current investments (Contd..)

xiv. The Company has entered into a contribution agreement with Alkemi Venture Fund and Early Spring Fund, committing upto lower of ₹ 33.10 Crores or 10% and ₹ 32.88 Crores or 10% of the total capital commitment of the Funds at the final closing date, respectively. The capital commitment need to be paid by the Company upon receiving a drawdown notice from the investment manager. These investments were accounted as fair value through other comprehensive income (FVTOCI) in accordance with Company's election under 'Ind AS 109 - Financial Instruments'.

Note 6: Non-current financial assets - loans

₹ in Crores

Particulars	As at 31st March, 2025	As at 31st March, 2024
(Unsecured, Considered good, except otherwise stated)		
Loan to subsidiaries (refer note 40 and below)*	975.54	1,379.62
	975.54	**1,379.62**

*Loans have been granted for the purpose of business.

Loan includes loan given to following subsidiaries:-

Name	31st March, 2025	31st March, 2024	Repayable by	Interest Rate	Purpose
Cipla Pharma and Life Sciences Limited	-	198.21	Repayment done in March 2025. (31st March, 2024: 29th February, 2028)	7.50% (31st March, 2024: 7.50%)	Asset/ business acquisitions
Sitec Labs Limited	26.00	5.00	20th September, 2027 (31st March, 2024: 20th September, 2027)	6.50%-7.45% (31st March, 2024: 6.88%-7.45%)	Asset acquisitions
Cipla Medpro South Africa (Pty) Limited	564.90	917.70	31st October, 2029 (31st March, 2024: 31st October, 2029)	250 bps higher than 3 months JIBAR rate (31st March, 2024: 250 bps higher than 3 months JIBAR rate)	Working capital/ capital expenditure
Cipla USA Inc	384.64	208.51	10th March, 2027 (31st March, 2024: 19th April, 2025)	Term Secured overnight financing rate (SOFR)+150bps (31st March, 2024: Term Secured overnight financing rate (SOFR)+140 bps)	Working capital
Cipla Health Limited	-	50.20	Repayment done in current year (31st March, 2024: 18th July, 2029)	7.35% (31st March, 2024: 7.35%)	Asset/ business acquisitions

There are no loans which have significant increase in credit risk or which are credit impaired.

Note 7: Non-current financial assets - others

₹ in Crores

Particulars	As at 31st March, 2025	As at 31st March, 2024
(Carried at amortised cost, except otherwise stated)		
Margin deposits[i]	0.99	0.94
Fixed Deposits (maturity more than 12 months)	171.33	410.82
Security deposits	73.21	64.18
Amount recoverable from suppliers	8.48	8.34
Fair value of derivatives not designated as hedge - carried at FVTPL		
Forward contracts	1.00	5.81
Options	-	2.39
Fair value of derivatives designated as hedge - carried at FVOCI		
Forward contracts	7.99	0.11
Options	2.77	-
Share Application money pending allotment[ii]	110.20	-
	375.97	**492.59**

[i] Amount held as margin money under lien to tax authority and electricity department.

[ii] Includes share application money pending allotment for Cipla Digital Health Limited of ₹ 3.00 Crores and Cipla Pharmaceuticals Limited of ₹ 107.20 Crores, shares for which has been allotted subsequent to the year end.

Notes to the Standalone Financial Statements

Note 8: Income taxes

The major components of income tax expense for the years ended 31st March, 2025 and 31st March, 2024 are:

₹ in Crores

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
A. Profit or loss section		
On continuing operations		
Current income tax charge	1,515.93	1,226.69
Reversal of current tax of earlier years*	(155.61)	-
Adjustments in respect of deferred tax charge of previous year	(1.30)	18.39
Deferred tax credit/reversal on account of temporary differences	(47.85)	(12.30)
	1,311.17	**1,232.78**
On discontinuing/restructuring operations		
Current income tax charge	-	122.11
	-	**122.11**
Total tax	**1,311.17**	**1,354.89**

*Includes tax provision relating to earlier years amounting to ₹ 155.61 Crores, as an outcome of favourable ITAT order and completion of assessment for past years of the Company.

Note 8: Income taxes (Contd..)

₹ in Crores

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
B. Other Comprehensive income section:		
On continuing operations		
Income tax relating to re-measurements gain on defined benefit plans	4.36	24.85
Income tax relating to changes in fair value of FVTOCI financial instruments	(0.12)	2.67
Income tax relating to cash flow hedge	(0.87)	(0.71)
	3.37	**26.81**
On discontinuing/restructuring operations		
Income tax relating to re-measurements gain on defined benefit plans	-	0.20
	-	**0.20**

Reconciliation of tax expense and the profit before tax multiplied by India's domestic tax rate for 31st March, 2025 and 31st March, 2024:

₹ in Crores

Particulars	For the year ended 31st March, 2025		For the year ended 31st March, 2024	
	%	Amount	%	Amount
Profit before tax from continuing operations		6,468.82		4,946.97
Profit before tax from discontinuing/restructuring operations		-		485.17
Profit before tax from operations		**6,468.82**		**5,432.14**
At India's applicable statutory income tax rate of 25.168% (31st March, 2024: 25.168%)	25.17%	1,628.07	25.17%	1,367.16
Effect for:				
Prior year adjustments to deferred tax	(0.02%)	(1.30)	0.34%	18.39
Recognition of previously unrecognised capital losses*	(0.80%)	(51.72)	0.00%	-
Effect of differential tax rate impact on capital gain on current investments	(0.61%)	(39.31)	0.00%	-
Deduction under Chapter VI-A of the Income Tax Act, 1961	(0.43%)	(27.88)	(1.79%)	(97.50)
Non-deductible expenses for tax purpose	0.57%	36.61	1.54%	83.86
Effect of reversal of impairment of investment in a subsidiary	(1.15%)	(74.16)	0.00%	-
Reversal of current tax of earlier years	(2.41%)	(155.61)	0.00%	-
Others	(0.05%)	(3.53)	(0.31%)	(17.02)
Effective income tax rate/Income tax expense reported in the profit or loss	**20.27%**	**1,311.17**	**24.95%**	**1,354.89**

*During the year, the Company has created deferred tax assets on unutilised capital losses to the extent of unrealised capital gains recorded in the books.

Unrecognised deferred tax assets relate to capital losses for which no deferred tax asset has been recognised as the company believes that availability of taxable profit against which such temporary differences can be utilised is not probable. These unexpired capital losses will expire based on the year of origination as follows:

Details of expiration of unused capital losses as at 31st March, 2025

₹ in Crores

Particulars	Tax Losses
FY 2025- 2026	-
FY 2026-2027	-
FY 2027-2028	-
Thereafter	119.07
	119.07

Details of expiration of unused capital losses as at 31st March, 2024

₹ in Crores

Particulars	Tax Losses
FY 2025- 2026	86.39
FY 2026- 2027	18.20
FY 2027-2028	24.91
Thereafter	423.20
	552.70

Notes to the Standalone Financial Statements

Note 8: Income taxes (Contd..)

The Company has ongoing disputes which includes receipt of demands, notices and inquiries from income tax authorities in India. The disputes relate to tax treatment of certain expenses claimed as deductions, computation or eligibility of tax incentives or allowances and transfer pricing adjustments.

The Company has disclosed amount of ₹ 151.69 crores (31st March, 2024: ₹ 20.22 crores) as contingent liability, in respect of tax demands which are being contested by it based on the management evaluation and advice of tax consultants as the management believes that the ultimate tax determination is uncertain due to various tax positions taken by adjudicating authorities in the past.

The Company has made provisions for taxes basis its best judgement, considering past resolutions to disputed matters by adjudicating authorities, prior year assessments and advice from external experts, if required. The Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience.

C. Deferred tax:

Carrying value of deferred tax liabilities (net)

₹ in Crores

Particulars	As at 31st March, 2025	As at 31st March, 2024
Carrying value of deferred tax assets/ (liabilities) (net)	19.88	(32.64)

Movement in deferred tax assets and liabilities during the year ended 31st March, 2025:

₹ in Crores

Particulars	As at 1st April, 2024	Profit or loss	Other comprehensive income	Transfer on account of discontinued operations (refer note 37)	As at 31st March, 2025
Deferred tax assets/(liabilities) :					
Property, plant and equipment and intangible assets	(243.71)	14.57	-	-	(229.14)
Employee benefits expense	69.54	(18.57)	4.36	-	55.33
Fair value of FVTOCI financial instruments	2.52	-	(0.12)	-	2.40
Deferred tax created on long term capital losses	-	51.72	-	-	51.72
Others*	17.90	1.26	(0.87)	-	18.29
Allowance for credit loss	28.83	(10.29)	-	-	18.54
Deferred revenue	8.11	(1.79)	-	-	6.32
Provision for right of return/discounts and others	84.17	12.25	-	-	96.42
Deferred tax assets/(liabilities) (net)	**(32.64)**	**49.15**	**3.37**	**-**	**19.88**

*Others include provision for claims - DPCO, Hedge reserve, etc

Movement in deferred tax assets and liabilities during the year ended 31st March, 2024:

₹ in Crores

Particulars	As at 1st April, 2023	Profit or loss	Other comprehensive income	Transfer on account of discontinued operations (refer note 37)	As at 31st March, 2024
Deferred tax assets/(liabilities) :					
Property, plant and equipment and intangible assets	(285.93)	42.22	-	-	(243.71)
Employee benefits expense	40.88	3.83	25.05	(0.22)	69.54
Fair value of FVTOCI financial instruments	(0.15)	-	2.67	-	2.52
Others*	83.01	(47.19)	(0.71)	(17.21)	17.90
Allowance for credit loss	28.35	0.48	-	-	28.83
Deferred revenue	9.89	(1.78)	-	-	8.11
Provision for right of return/discounts and others	87.82	(3.65)	-	-	84.17
Deferred tax assets/(liabilities) (net)	**(36.13)**	**(6.09)**	**27.01**	**(17.43)**	**(32.64)**

*Others include provision for claims - DPCO, Hedge reserve, etc

D. Tax assets and liabilities:

₹ in Crores

Particulars	As at 31st March, 2025	As at 31st March, 2024
Income tax assets (net)	408.89	353.70
Income tax liabilities	55.61	7.29

Notes to the Standalone Financial Statements

Note 9: Other non-current assets

₹ in Crores

Particulars	As at 31st March, 2025	As at 31st March, 2024
(Unsecured, considered good, except otherwise stated)		
Capital advances		
Secured, considered good #	4.09	3.91
Unsecured, considered good *	152.63	92.41
Other Deposits**	180.55	-
Others		
Prepaid expenses	19.48	22.62
VAT receivable	2.21	2.51
	358.96	**121.45**

Secured against bank guarantees

* Includes amount paid to wholly owned subsidiary - Meditab Specialities Limited (refer note 40)	55.74	55.74

**Includes ₹ 175.08 Crores as at 31st March, 2025 in respect of DPCO matter explained in note 38B.

Note 10: Inventories

₹ in Crores

Particulars	As at 31st March, 2025	As at 31st March, 2024
(Lower of cost and net realisable value)		
Raw materials and packing materials	1,379.20	1,281.48
Work-in-progress	746.91	678.58
Finished goods	831.38	678.49
Stock-in-trade	528.05	519.40
Stores, spares and consumables	121.58	96.33
	3,607.12	**3,254.28**

₹ in Crores

Particulars	As at 31st March, 2025	As at 31st March, 2024
Goods-in-transit included above		
Raw materials and packing materials	87.72	49.13
Work-in-progress	30.23	28.03
Finished goods	98.10	85.08
Stock-in-trade	17.70	19.89
	233.75	**182.13**

Note 10: Inventories (Contd..)

The Company recorded inventory write down (net) of ₹ 169.80 crores (31st March, 2024: ₹ 161.5 crores). This is included as part of cost of materials consumed and changes in inventories of finished goods, work-in-progress and stock-in-trade in profit or loss, as the case may be.

Note 11: Current investments

₹ in Crores

Particulars	As at 31st March, 2025	As at 31st March, 2024
Investment in mutual funds (quoted)	6,849.31	4,383.59
(Carried at fair value through profit or loss)		
Aggregate book value of quoted investments	**6,849.31**	**4,383.59**
Aggregate market value of quoted investments	**6,849.31**	**4,383.59**
Aggregate amount of impairment in value of investments	**-**	**-**

Note 12: Trade receivables

₹ in Crores

Particulars	As at 31st March, 2025	As at 31st March, 2024
(Carried at amortised cost, except otherwise stated)		
Unsecured, considered good #	3,908.21	2,737.47
Unsecured, credit impaired	15.50	49.84
Total	**3,923.71**	**2,787.31**
Less: Allowance for expected credit loss (refer note 45)	(63.72)	(105.56)
	3,859.99	**2,681.75**

# Includes amount due from related parties (refer note 40)	2,092.98	1,337.79

- Trade receivables are interest and non-interest bearing and are generally due upto 180 days.
- There are no trade receivables (except which are already being provided) having significant increase in credit risk and trade receivables which are credit impaired.
- There are no debts due by Directors or other Officers of the Company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any Director is a Partner or a Director or a Member except as disclosed in note 40.

Notes to the Standalone Financial Statements

Note 12: Trade receivables (Contd..)

Ageing for trade receivables from the due date of payment for each of the category as at 31st March, 2025 is as follows:

₹ in Crores

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	
a. Undisputed Trade receivables								
- considered good	-	3,040.73	576.91	210.54	31.17	8.88	39.98	**3,908.21**
- credit impaired	-	-	-	-	-	-	-	**-**
b. Disputed Trade receivables								
- considered good	-	-	-	-	-	-	-	**-**
- credit impaired	-	-	-	0.39	0.17	0.16	14.78	**15.50**
	-	**3,040.73**	**576.91**	**210.93**	**31.34**	**9.04**	**54.76**	**3,923.71**

Ageing for trade receivables from the due date of payment for each of the category as at 31st March, 2024 is as follows:

₹ in Crores

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	
a. Undisputed Trade receivables								
- considered good	-	2,016.52	602.99	41.37	13.35	7.52	55.72	**2,737.47**
- credit impaired	-	-	-	-	-	-	-	**-**
b. Disputed Trade receivables								
- considered good	-	-	-	-	-	-	-	**-**
- credit impaired	-	-	0.08	0.09	0.16	1.93	47.58	**49.84**
	-	**2,016.52**	**603.07**	**41.46**	**13.51**	**9.45**	**103.30**	**2,787.31**

Note 13: Cash and cash equivalents

₹ in Crores

Particulars	As at 31st March, 2025	As at 31st March, 2024
Balances with banks		
- In Current accounts	73.83	21.41
- In EEFC accounts	1.65	15.93
Remittance in transit[i]	6.85	126.68
Cash on hand	0.41	0.50
	82.74	**164.52**

There are no other repatriation restrictions with regards to cash and cash equivalents as at the end of the reporting period.

i. Remittance in transit from group entities.

Note 14: Bank balance other than cash and cash equivalents

₹ in Crores

Particulars	As at 31st March, 2025	As at 31st March, 2024
Bank deposits (original maturity between 3 months and 12 months)	178.73	155.18
Amount held as margin money to Government authority	2.69	2.56
Balance earmarked for unclaimed dividend*	14.29	10.94
	195.71	**168.68**

* The above balances are restricted for specific use. There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as at 31st March, 2025 and 31st March, 2024.

Note 15: Current financial assets - loans

₹ in Crores

Particulars	As at 31st March, 2025	As at 31st March, 2024
(Unsecured, considered good, except otherwise stated)		
(Carried at amortised cost, except otherwise stated)		
Loan to employees and others (refer note i below)	0.18	0.24
Loan to subsidiary (refer note 40) (refer notes ii, iii, v and vi below)	213.69	784.01
	213.87	**784.25**

Notes -

(i) In line with Circular No. 04/2015 issued by Ministry of Corporate Affairs dated 10th March, 2015, loans given to employees as per the Company's policy are not considered for the purposes of disclosure under Section 186(4) of the Companies Act, 2013.

(ii) There are no loans or advances in the nature of loans granted to Promoters, Directors, KMPs and their related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, except as disclosed in note 40, that are:

(a) repayable on demand; or

(b) without specifying any terms or period of repayment

(iii) Loans have been granted for the purpose of their business.

(iv) There are no loans which have significant increase in credit risk and which are credit impaired.

(v) Loan is given to subsidiary Cipla USA Inc. at Term SOFR+140 bps interest rate repayable by 19th April, 2025 (March 2024: Term SOFR+140 bps interest rate, repayable by 16th March, 2025)

Notes to the Standalone Financial Statements

Note 15: Current financial assets - loans (Contd..)

vi. Pursuant to board resolutions passed on 25th January, 2023, the Company has granted an unsecured loan of ₹ 205.49 crore to its wholly owned subsidiary Cipla USA Inc. at an interest rate of SOFR+140bps for working capital requirement in previous year. The loan was repayable by 19th April, 2024, which got extension of further one year on renewal.

Note 16: Current financial assets - others

₹ in Crores

Particulars	As at 31st March, 2025	As at 31st March, 2024
(Unsecured, considered good, except otherwise stated)		
(Carried at amortised cost, except otherwise stated)		
Incentives/ benefits receivable from Government	219.87	296.86
Deposits**	7.93	188.48
Fair value of derivatives not designated as hedge - carried at FVTPL*		
Forward contracts	3.35	12.86
Options	-	0.19
Fair value of derivatives designated as hedge - carried at FVOCI*		
Forward contracts	2.09	10.42
Options	-	0.88
Fixed deposits (having remaining maturity less than 12 months)	2,548.62	2,176.75
Amount held as margin money to Government authority	1.70	2.80
Fixed deposit interest receivable	35.54	43.22
Receivables for litigation settlement (refer note 28)	42.74	-

Note 16: Current financial assets - others (Contd..)

₹ in Crores

Particulars	As at 31st March, 2025	As at 31st March, 2024
Other receivables (Dues from ex-employees, expense reimbursement receivable, etc.)		
Considered good	23.53	34.23
Credit impaired	1.46	3.22
Less: Allowance for expected credit loss	(1.46)	(3.22)
	2,885.37	**2,766.69**

*Refer note 45 for information about fair value measurement and effects of hedge accounting.

**Includes ₹ 175.08 Crores as at 31st March, 2024 in respect of DPCO matter explained in note 38B.

Note 17: Other current assets

₹ in Crores

Particulars	As at 31st March, 2025	As at 31st March, 2024
(Unsecured, considered good, except otherwise stated)		
Advances to suppliers	73.38	84.34
Prepaid expenses	95.86	89.10
Balances with statutory/revenue authorities like goods and service tax (GST), excise, customs, service tax and value added tax, etc.	500.11	465.90
Other advances	5.76	14.74
	675.11	**654.08**

Note 18: Equity share capital

₹ in Crores

Particulars	Numbers	As at 31st March, 2025	Numbers	As at 31st March, 2024
Authorised				
Equity shares of ₹ 2/- each	87,50,00,000	175.00	87,50,00,000	175.00
		175.00		**175.00**
Issued				
Equity shares of ₹ 2/- each	80,76,17,120	161.52	80,73,67,062	161.47
		161.52		**161.47**
Subscribed and paid-up				
Equity shares of ₹ 2/- each, fully paid up	80,76,17,120	161.52	80,73,67,062	161.47
		161.52		**161.47**

Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31st March, 2025	As at 31st March, 2024
Number of shares outstanding at the beginning of the period	80,73,67,062	80,71,50,593
Add: Allotment of equity shares on exercise of employee stock options (ESOSs) and Employee Stock Appreciation Rights (ESARs) (refer note 41)	2,50,058	2,16,469
Number of shares outstanding at the end of the reporting period	**80,76,17,120**	**80,73,67,062**

Notes to the Standalone Financial Statements

Note 18: Equity share capital (Contd..)

Details of shareholders holding more than 5% shares in the Company

Particulars	As at 31st March, 2025		As at 31st March, 2024	
	Number of shares	% of holdings	Number of shares	% of holdings
Dr Y K Hamied	15,05,21,183	18.64%	15,05,21,183	18.64%
Sophie Ahmed	4,59,82,000	5.69%	4,59,82,000	5.70%
HDFC Trustee Company Limited	4,13,06,993	5.11%	3,59,93,491	4.46%

Details of shares held by promoters in the Company

Particulars	As at 31st March, 2025		As at 31st March, 2024		% Change during the year
	Number of shares	% of total shares	Number of shares	% of total shares	
Dr Y K Hamied	15,05,21,183	18.64%	15,05,21,183	18.64%	0.00%
M K Hamied	2,78,44,320	3.45%	2,78,44,320	3.45%	0.00%
Sophie Ahmed	4,59,82,000	5.69%	4,59,82,000	5.70%	(0.01%)
Kamil Hamied	1,09,39,500	1.35%	1,09,39,500	1.36%	(0.01%)
Shirin Hamied	-	-	63,63,000	0.79%	(0.79%)
Samina Hamied	-	-	1,79,09,500	2.22%	(2.22%)
Rumana Hamied	-	-	98,86,500	1.22%	(1.22%)
Okasa Pharma Private Limited	-	-	1,89,375	0.02%	(0.02%)
Total	**23,52,87,003**	**29.13%**	**26,96,35,378**	**33.40%**	**(4.27%)**

Particulars	As at 31st March, 2024		As at 31st March, 2023		% Change during the year
	Number of shares	% of total shares	Number of shares	% of total shares	
Dr Y K Hamied	15,05,21,183	18.64%	15,05,21,183	18.65%	(0.01%)
M K Hamied	2,78,44,320	3.45%	2,78,44,320	3.45%	0.00%
Sophie Ahmed	4,59,82,000	5.70%	4,59,82,000	5.70%	0.00%
Shirin Hamied	63,63,000	0.79%	63,63,000	0.79%	0.00%
Kamil Hamied	1,09,39,500	1.36%	1,09,39,500	1.36%	0.00%
Samina Hamied	1,79,09,500	2.22%	1,79,09,500	2.22%	0.00%
Rumana Hamied	98,86,500	1.22%	98,86,500	1.22%	0.00%
Okasa Pharma Private Limited	1,89,375	0.02%	1,89,375	0.02%	0.00%
Total	**26,96,35,378**	**33.40%**	**26,96,35,378**	**33.41%**	**(0.01%)**

Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 2 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in case of interim dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder.

Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date

The Company has not issued any bonus shares, shares for consideration other than cash or bought back any shares during five years immediately preceding the reporting date.

Equity shares reserved for issue under employee stock options and share appreciation rights

For number of stock options against which equity shares to be issued by the Company upon vesting and exercise of those stock options and rights by the option/ESAR holders as per the relevant schemes - refer note 41.

Note 19: Other equity*

₹ in Crores

Particulars	As at 31st March, 2025	As at 31st March, 2024
Capital reserve	0.08	0.08
Securities premium	1,692.60	1,672.84
General reserve	3,145.00	3,145.00
Employee stock options/ESAR	51.70	44.03
Retained earnings	27,045.69	22,950.83
Equity instruments fair value through other comprehensive income	(7.13)	(7.51)
Effective portion of cash flow hedges	9.78	7.18
Share application money pending allotment#	0.00	0.00
	31,937.72	**27,812.45**

* For movement in other equity, refer Statement of Changes in Equity

#represent share application money pending allotment of ₹ 9,144 for 4,572 number of shares (31st March, 2024: ₹ 30,196 for 15,098 number of shares).

Notes to the Standalone Financial Statements

Note 19: Other equity* (Contd..)

Other Comprehensive Income

₹ in Crores

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
A. (1) Items that will not be reclassified to profit or loss		
(i) Re-measurements of post-employment benefit obligation {refer note 39 (e)}	(17.32)	(99.52)
(ii) Changes in fair value of FVTOCI financial instruments	0.50	(10.65)
	(16.82)	**(110.17)**
(2) Income tax relating to items that will not be reclassified to profit or loss		
(i) Income tax relating to re-measurements of post-employment benefit obligation	4.36	25.05
(ii) Income tax relating to changes in fair value of FVTOCI financial instruments	(0.12)	2.67
	4.24	**27.72**
B. (1) Items that will be reclassified to profit or loss		
(i) Cash flow hedge (refer note 45)	3.47	2.80
	3.47	**2.80**
(2) Income tax relating to items that will be reclassified to profit or loss		
(i) Income tax relating to cash flow hedge	(0.87)	(0.71)
	(0.87)	**(0.71)**

Nature and purpose of reserve:-

Capital reserve

The Company recognised profit or loss on sale, issue, purchase or cancellation of the Company's own equity instruments to capital reserve. Capital reserve may be used by the Company only for some specific purpose.

Securities premium

Securities premium reserve is used to record the premium on issue of shares. In case of equity settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium. This reserve is utilised in accordance with the provisions of the Act.

Note 19: Other equity* (Contd..)

General reserve

The General reserve is used from time to time to transfer profit from retained earnings for appropriation purpose.

Employee stock options/ESAR

Employee stock options/ESAR is used to record the share based payments, expense under the various schemes as per SEBI regulations. The reserve is used for the settlement of ESOS and ESAR (refer note 41).

Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends, or other distributions paid to shareholders. It includes impact of re-measurement gain/(losses) net of taxes on defined benefit plans on account of changes in actuarial assumptions or experience adjustments within the plans.

Financial Instruments fair value through other comprehensive income

This reserve represents the cumulative gains and losses arising on the revaluation of equity instrument measured at fair value through other comprehensive income. The Company transfers amounts from this reserve to retained earnings when the relevant equity instruments are de-recognised/disposed off.

Effective portion of cash flow hedges

For the forward contracts designated as cash flow hedges, the effective portion of the fair value of forward contracts are recognised in cash flow hedging reserve under other equity. Upon de-recognition, amounts accumulated in other comprehensive income are taken to profit or loss at the same time as the related cash flow (refer note 45).

Note 20: Other financial liabilities

₹ in Crores

Particulars	As at 31st March, 2025	As at 31st March, 2024
(Carried at amortised cost, except otherwise stated)		
Security deposits	4.72	5.08
Derivatives not designated as hedge - carried at FVTPL		
Currency Swap	30.81	-
Derivatives designated as hedge - carried at FVOCI		
Forward contracts	-	1.43
Options	-	0.38
	35.53	**6.89**

Notes to the Standalone Financial Statements

Note 21: Provisions

₹ in Crores

Particulars	As at 31st March, 2025	As at 31st March, 2024
Non-current		
Provision for employee benefits (refer note 39)	109.12	94.24
	109.12	**94.24**
Current		
Provision for employee benefits (refer note 39)	260.39	288.12
Provision for claims - DPCO (refer note below)	86.12	80.78
Provision for anticipated claims on pricing (refer note below)	6.43	16.84
Provision for right of return/discounts and others (refer note below)	424.31	361.50
	777.25	**747.24**

Provision is made for right of return/discount/ refund liabilities and others in respect of products sold as per the contractual terms and conditions. These claims are expected to be settled in the next financial year. Management estimates the provision based on historical information and any recent trends that may suggest future claims could differ from historical amounts. The assumptions made in relation to the current period are consistent with those in the prior year.

Movement of provision for claims - DPCO, provision for anticipated claims on pricing and provision for right of return/discounts/ refund liabilities and others

₹ in Crores

Particulars	As at 31st March, 2025	As at 31st March, 2024
Provision for claims - DPCO		
Balance at the beginning of the year	**80.78**	**125.38**
Provided during the year	5.34	19.90
Transfer on account of discontinued operations (refer note 37)	-	(64.50)
Utilised/reversed/payout during the year	-	-
Balance at the end of the year	**86.12**	**80.78**
Provision for anticipated claims on pricing		
Balance at the beginning of the year	**16.84**	**35.28**
Provided during the year	0.59	6.84
Transfer on account of discontinued operations (refer note 37)	-	(3.90)
Utilised/reversed/payout during the year	(11.00)	(21.38)
Balance at the end of the year	**6.43**	**16.84**

Note 21: Provisions (Contd..)

₹ in Crores

Particulars	As at 31st March, 2025	As at 31st March, 2024
Provision for right of return/discounts/ refund liabilities and others		
Balance at the beginning of the year	**361.50**	**362.95**
Provided during the year	907.64	740.43
Utilised/reversed/payout during the year	(844.83)	(741.88)
Balance at the end of the year	**424.31**	**361.50**

Note 22: Other non-current liabilities

₹ in Crores

Particulars	As at 31st March, 2025	As at 31st March, 2024
Deferred government grants	1.47	1.72
Deferred revenue	49.84	50.66
Deferred lease income	0.92	1.36
	52.23	**53.74**

Note 23: Trade payables

₹ in Crores

Particulars	As at 31st March, 2025	As at 31st March, 2024
(Carried at amortised cost, except otherwise stated)		
Total outstanding dues of micro enterprises and small enterprises (MSME)	218.40	201.25
	218.40	**201.25**
Total outstanding dues of creditors other than micro enterprises and small enterprises#	1,665.31	1,483.39
	1,665.31	**1,483.39**
	1,883.71	**1,684.64**
# Includes amount due to related parties (refer note 40)	251.11	266.89

- These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 0-90 days of recognition based on the credit terms. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

- There are no micro and small enterprises, to whom the company owes dues, which are outstanding for more than 45 days as at 31st March, 2025 and as at 31st March, 2024 and

Notes to the Standalone Financial Statements

Note 23: Trade payables (Contd..)

no interest payment made during the year to any micro and small enterprises. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

Disclosure as required by Micro, Small and Medium Enterprises Development Act, 2006

₹ in crores

Particulars	As at 31st March, 2025	As at 31st March, 2024
A. (i) Principal amount remaining unpaid	218.40	201.25
A. (ii) Interest amount remaining unpaid	-	-
B. Interest paid by the Group in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day	-	-
C. Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	-	-
D. Interest accrued and remaining unpaid	-	-
E. Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-

Note: Identification of micro and small enterprises is basis the intimation received from vendors

Ageing for trade payables from the due date of payment for each of the category as at 31st March, 2025 is as follows:

₹ in Crores

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
a. Undisputed dues							
- MSME	-	218.40	-	-	-	-	**218.40**
- Others	19.00	892.52	598.28	36.08	50.39	58.23	**1,654.50**
b. Disputed dues							
- MSME	-	-	-	-	-	-	**-**
- Others	-	-	-	-	-	10.81	**10.81**
	19.00	**1,110.92**	**598.28**	**36.08**	**50.39**	**69.04**	**1,883.71**

Ageing for trade payables from the due date of payment for each of the category as at 31st March, 2024 is as follows:

₹ in Crores

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
a. Undisputed dues							
- MSME	-	201.25	-	-	-	-	**201.25**
- Others	15.76	730.56	549.66	98.31	23.30	54.68	**1,472.27**
b. Disputed dues							
- MSME	-	-	-	-	-	-	**-**
- Others	-	-	-	-	-	11.12	**11.12**
	15.76	**931.81**	**549.66**	**98.31**	**23.30**	**65.80**	**1,684.64**

Notes to the Standalone Financial Statements

Note 24: Other financial liabilities - current

₹ in Crores

Particulars	As at 31st March, 2025	As at 31st March, 2024
(Carried at amortised cost, except otherwise stated)		
Unclaimed dividend*	14.29	10.94
Security deposits	2.65	2.71
Capital creditors	57.08	83.51
Employee dues	104.20	86.59
Fair value of derivatives not designated as hedge - carried at FVTPL		
Forward contracts	27.99	-
Options	0.44	-
Fair value of derivatives designated as hedge - carried at FVOCI		
Options	0.16	-
Import advance licences	22.85	25.41
Deferred considerations- carried at FVTPL	0.70	12.00
Liability for unspent CSR obligation (refer note 46)	4.75	-
	235.11	**221.16**

*There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.

Note 25: Other current liabilities

₹ in Crores

Particulars	As at 31st March, 2025	As at 31st March, 2024
Advance from customers	13.86	10.66
Other payables:		
Statutory dues	166.69	165.87
Deferred revenue	8.21	8.70
Advance received against assets held for sale (refer note 2.3)	11.09	-
Others	0.69	0.69
	200.54	**185.92**

Note 26: Revenue from sale of products

₹ in Crores

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Sale of products (refer note below)	16,111.45	15,924.20
Less: related to discontinuing/ restructuring operations (refer note 37)	-	(1,483.06)
	16,111.45	**14,441.14**

Note 26: Revenue from sale of products (Contd..)

Ind AS-115 disclosures

(i) Disaggregation of revenue

The Company's revenue disaggregated by business unit is as follows:

₹ in Crores

Nature of revenue	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Sale of products (products transferred at a point in time)		
India		
Branded and trade generics	9,249.22	9,755.75
Others	134.89	156.97
Export sales		
North America (USA)	2,270.76	2,031.82
South Africa, Sub-Saharan Africa and Cipla Global Access, North Africa (One-Africa)	1,242.12	1,188.00
Emerging Market (EM)	1,574.24	1,351.82
Europe	1,174.52	892.42
Active Pharmaceutical Ingredient (API) and others	465.70	547.42
	16,111.45	**15,924.20**

(ii) Reconciliation of revenue from sale of products and services with the contracted price

₹ in Crores

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Contracted price	17,019.09	16,832.84
Less: trade discounts, sales and expiry return	(907.64)	(908.64)
Sale of product and services	**16,111.45**	**15,924.20**

(iii) Contract assets

The Company recognises an asset, i.e., right to the returned saleable goods (included in inventories) for the products expected to be returned in saleable condition. The Company initially measures this asset at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of returned goods. The Company updates the measurement of the asset recorded for any revision to its expected level of returns, as well as any additional decrease in value of the returned products.

As on 31st March, 2025, the Company has ₹ 22.55 crores (31st March, 2024: ₹ 20.11 crores) as contract asset.

(iv) Contract liabilities

The Company records a contract liability when cash payments are received or due in advance of its performance.

Notes to the Standalone Financial Statements

Note 26: Revenue from sale of products (Contd..)

₹ in Crores

Particulars	As at 31st March, 2025	As at 31st March, 2024
Advance from customers	13.86	10.66
Deferred revenue	58.05	59.36

Advance from Customers

₹ in Crores

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Balance at the beginning of the year	**10.66**	**28.66**
Revenue recognised/ other adjustments (net) during the year	(34.78)	(35.31)
Advance received during the year	38.31	17.41
Advance returned during the year	(0.33)	(0.10)
Balance at the end of the year	**13.86**	**10.66**

In respect to advance from customers, the Company expect revenue to be recognised over the period of next 1 year from reporting date.

Deferred revenue

₹ in Crores

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Balance at the beginning of the year	**59.36**	**58.02**
Revenue recognised during the year	(10.56)	(14.26)
Milestone payment received during the year	9.25	15.60
Balance at the end of the year	**58.05**	**59.36**
Current	**8.21**	**8.70**
Non-Current	**49.84**	**50.66**

In respect to Deferred revenue, the Company expect revenue to be recognised over the period of next 9 years (31st March 2024: 7 years) from reporting date.

(v) Information about major customers

No single external customer represents 10% or more of the Company's total revenue for the years ended 31st March, 2025 and 31st March, 2024 respectively.

Note 27: Other operating revenue

₹ in Crores

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Rendering of services	3.01	3.08
Export incentives	92.45	53.44
Technical know-how and licensing fees	14.54	19.32
Scrap sales	42.02	38.86

Note 27: Other operating revenue (Contd..)

₹ in Crores

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Royalty income (refer note 40)	2,432.21	1,728.67
Goods and service tax area-based incentive	36.18	26.76
Production linked incentive (PLI)	199.97	170.00
Miscellaneous income[i]	113.02	93.07
	2,933.40	**2,133.20**

[i] Income below 1% of revenue from operation are aggregated in accordance with Schedule III to the Companies Act, 2013.

Note 28: Other income

₹ in Crores

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Interest income -		
Loan to subsidiaries - carried at amortised cost (refer note 40)	153.38	100.71
Deposits	232.91	180.12
Income tax refund	8.83	10.33
Others	4.53	2.66
Dividend income -		
Subsidiaries - carried at amortised cost (refer note 40)	99.27	380.69
Other non-operating income -		
Government grants[i]	0.25	0.25
Net gain on foreign currency transaction and translation	5.60	46.20
Net gain on sale of current investment carried at FVTPL	143.13	43.47
Fair value gain on financial instruments at FVTPL	237.02	215.01
Net (loss)/gain on disposal of property, plant and equipment	(1.85)	7.50
Insurance claim	14.52	4.60
Rent income	15.73	14.16
Income from vendor settlement	-	34.98
Litigation settlement income[iii]	42.74	-
Sundry balances written back (net)	5.50	7.03
Gain on sales of investment of subsidiary (refer note 5)	-	4.93
Miscellaneous income[ii]	23.16	18.02
	984.72	**1,070.66**

i. Government grants pertain to subsidy on property, plant and equipment of manufacturing set up. There are no unfulfilled conditions or contingencies attached to these grants.

ii. Income below 1% of revenue from operation are aggregated in accordance with Schedule III to the Companies Act, 2013.

iii. Litigation settlement income for the year ended 31st March, 2025, includes ₹ 42.74 Crores from a one-time settlement agreements of a legal dispute entered with innovators during the current year.

Notes to the Standalone Financial Statements

Note 29: Cost of materials consumed

₹ in Crores

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Semi-finished goods consumed	1,106.04	1,092.49
Raw material consumed	989.35	894.80
Packing material consumed	1,371.87	1,192.96
Cost of material supplied - others	175.58	186.18
Total cost of materials consumed	**3,642.84**	**3,366.43**
Less: related to discontinuing/ restructuring operations (refer note 37)	-	(749.22)
	3,642.84	**2,617.21**

Note 30: Purchases of stock-in-trade

₹ in Crores

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Purchases of stock-in-trade	2,056.75	2,360.41
	2,056.75	**2,360.41**

Note 31: Changes in inventories of finished goods, work-in-progress and stock-in-trade

₹ in Crores

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Opening stock		
Work-in-progress	678.58	690.58
Finished goods	678.49	721.63
Stock-in-trade	519.40	567.27
	1,876.47	**1,979.48**
Less: Closing stock (refer note 10)		
Work-in-progress	746.91	678.58
Finished goods	831.38	678.49
Stock-in-trade	528.05	519.40
	2,106.34	**1,876.47**
Less: related to discontinuing/ restructuring operations (refer note 37)	-	1.56
	(229.87)	**104.57**

Note 32: Employee benefits expense

₹ in Crores

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Salaries and wages	2,722.23	2,418.16
Contribution to provident and other funds (refer note 39)	127.02	101.46

Note 32: Employee benefits expense (Contd..)

₹ in Crores

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Share based payments expense (refer note 41) *	27.15	25.07
Staff welfare expenses	178.47	143.82
	3,054.87	**2,688.51**
Less: related to discontinuing/ restructuring operations (refer note 37)	-	(44.30)
	3,054.87	**2,644.21**

* net off Charge to wholly owned subsidiary of ₹ 0.28 Crores.

Note 33: Finance costs

₹ in Crores

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Interest on provision for claims - DPCO	2.44	4.14
Interest on lease liabilities (refer note 2.2)	6.50	5.55
Others finance cost (including interest on taxes)	6.17	14.91
	15.11	**24.60**
Less: related to discontinuing/ restructuring operations (refer note 37)	-	(4.35)
	15.11	**20.25**

Note 34: Depreciation, impairment and amortisation expenses

₹ in Crores

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Depreciation on property, plant and equipment (refer note 2.1)	446.43	434.43
Impairment of property, plant and equipment (refer note 2.1)	3.39	37.42
Depreciation on right-of-use assets (refer note 2.2)	18.58	14.90
Impairment on asset held for sale (refer note 2.3)	3.33	-
Impairment of capital work-in-progress (refer note 2.4)	9.75	14.20
Depreciation on investment properties (refer note 3)	2.33	2.52
Impairment of intangible assets under development (refer note 4)	0.69	-
Amortisation of intangible assets (refer note 4)	89.39	81.64
Impairment on intangible assets (refer note 4)	-	2.48
	573.89	**587.59**

Notes to the Standalone Financial Statements

Note 35 (a): Other expenses

₹ in Crores

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Manufacturing expenses	795.06	731.69
Stores and spares	132.58	110.49
Repairs and maintenance:		
Buildings	30.05	32.35
Plant and equipment	148.22	127.59
Insurance	48.80	48.34
Rent (refer note 2.2)	53.07	52.35
Rates and taxes	70.12	74.60
Power and fuel	290.24	271.66
Travelling and conveyance	349.00	317.37
Sales promotion expenses	407.64	411.43
Commission on sales	84.06	197.22
Freight and forwarding	372.73	285.89
Allowance for credit loss (net) (refer note 45)	(1.89)	9.22
Contractual services	269.03	241.35
Non-executive directors remuneration (refer note 40)	18.51	14.31
Courier and telephone expenses	31.51	25.59
Legal and professional fees	800.50	676.07
Payment to auditors (refer note ii below)	3.81	3.14
Corporate social responsibility expenditure (CSR) (refer note 46)	79.58	69.24
Donations (refer note iii below)	0.36	40.40
Research - clinical trials, samples and grants	364.98	404.22
Miscellaneous expenses[i]	393.86	420.85
	4,741.82	**4,565.37**
Less: related to discontinuing/ restructuring operations (refer note 37)	-	(201.58)
	4,741.82	**4,363.79**
i. Expenses below 1% of revenue from operation are aggregated in accordance with Schedule III to the Companies Act, 2013.		
ii. Payment to auditors include:		
Audit fees	2.85	2.31
Tax audit fees	0.30	0.30
For other services (includes certifications etc.)	0.47	0.36
Reimbursement of expenses	0.19	0.17
	3.81	**3.14**

iii. Includes Contribution to Political Parties as per Section 182 of Companies Act, 2013

₹ in Crores

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Electoral Trust	-	39.20

Note 35 (b): Exceptional item

₹ in Crores

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Reversal of impairment of Investment in subsidiary* (refer note 5)	294.66	-
	294.66	**-**

Exceptional items for the year ended 31st March, 2025, represents ₹ 294.66 Crores with respect to reversal of impairment loss recognized in earlier years for the investment in the wholly owned subsidiary, Cipla Pharma and Life Sciences Limited in view of the recoverable value of the investment exceeding its carrying value on account of profitable business operations of the subsidiary, which is in accordance with Ind AS 36 - Impairment of assets.

Note 36: Research and development (R & D) expenditure

₹ in Crores

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
The amount of expenditure as shown in the respective heads of account is as under:		
R&D capital expenditure (gross)		
Building	-	0.04
Assets other than building	32.63	40.85
	32.63	**40.89**
Less: Realisation on sale of R&D assets		
Assets other than building	1.40	1.44
	1.40	**1.44**
Total R&D capital expenditure (net)	**31.23**	**39.45**
R&D revenue expenditure included in the profit or loss (excluding depreciation)		
Materials consumed	228.64	190.23
Employee benefits expense	262.60	244.44
Power and fuel	17.18	13.00
Repairs and maintenance	34.70	26.41
Manufacturing expenses	25.31	24.37
Professional fees	138.42	110.86
Research - clinical trials, samples and grants	128.32	123.37
Printing and stationery	0.37	0.25
Travelling expenses	10.80	10.78
Other research and development expenses	368.51	392.88
Allocated manufacturing expenses for R&D batches	23.88	12.26
Total R&D revenue expenditure	**1,238.73**	**1,148.85**
Total R&D expenditure (Amount eligible for deduction under Section 35 (1) (i) & 35 (1) (iv) of the Income Tax Act, 1961)	**1,269.96**	**1,188.30**
Revenue from operations (continued and discontinued)	**19,044.85**	**18,057.40**
Total R&D expenditure/revenue	6.67%	6.58%
Total eligible R&D expenditure/revenue	6.67%	6.58%

*Pursuant to provisions of section 35 (1)(i) & 35 (1) (iv) of the Income Tax Act, 1961 the deduction on R&D expenditure (revenue as well as capital expenditure) has been claimed @ 100% from the assessment year 2021-22 and onwards, while computing current tax provision.

Notes to the Standalone Financial Statements

Note 37: Discontinuing/restructuring operations

During previous year, the Board in its meeting held on 6th November, 2023 had approved the transfer of Generics Business Undertaking as a going concern on a slump sale basis to Cipla Pharma and Life Sciences Limited (CPLS), a wholly owned subsidiary of the Company. The business transfer had been completed as agreed under Business Transfer Agreement with closing date of 29th February, 2024.

Accordingly, disclosures as required under Indian Accounting Standard (Ind AS) 105 "Non-Current Assets Held for Sale and Discontinued Operations", in the standalone financials for all the periods have been suitably presented.

The financial performance and cash flows for Discontinuing/ restructuring operations in respect of Generic Business Undertaking

i. Analysis of profit from discontinuing/restructuring operations

₹ in Crores

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Revenue from sale of products	-	1,483.06
Total revenue from operations	**-**	**1,483.06**
Expenses		
Cost of materials consumed	-	749.22
Changes in inventories of finished goods and work-in-progress	-	(1.56)
Employee benefits expense	-	44.30
Finance Cost	-	4.35
Other expenses	-	201.58
Total expenses	**-**	**997.89**
Profit before tax	**-**	**485.17**
Tax expense (net)		
Current tax	-	122.11
Total tax expense	**-**	**122.11**
Profit after tax	**-**	**363.06**
Other comprehensive income for the year		
Items that will not be reclassified to profit or loss	-	(0.80)
Income tax relating to these items	-	0.20
Other comprehensive income for the year	**-**	**(0.60)**
Total comprehensive income for the year	**-**	**362.46**

ii. Net cash flows attributable to the discontinuing/restructuring operations

₹ in Crores

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Net cash generated from operating activities	-	361.74
Net cash used in investing activities	-	-
Net cash used in financing activities	-	1.23

Note 37: Discontinuing/restructuring operations (Contd..)

(iii) Summary of assets and liabilities transferred for Generic Business Undertaking as on 29th February, 2024

Particulars	₹ in Crores
Property, Plant and Equipment and Intangible Assets	0.55
Capital work-in-progress	1.21
Inventory	219.86
Trade Receivable	191.73
Deferred tax asset	17.43
Other current financial assets	2.62
Total Assets Transferred	**433.40**
Trade payable	103.73
Non-current financial liability	50.00
Provisions	70.55
Other current liability	10.91
Total Liabilities Transferred	**235.19**
Net Consideration receivable (considered as loan given refer note 6)	**198.21**

Note 38: Contingent liabilities, commitments and other litigations (to the extent not provided for)

A. Details of contingent liabilities and commitments:

₹ in Crores

Particulars	As at 31st March, 2025	As at 31st March, 2024
Contingent liabilities		
Claims against the Company not acknowledged as debt[i]	132.99	135.70
Guarantees excluding financial guarantee	204.66	186.57
Letters of credit	65.34	14.94
Income tax on account of disallowance/additions[vi]	151.69	20.22
Excise duty/service tax on account of valuation/cenvat credit	331.52	256.04
Sales tax on account of credit/ classification	1.55	1.31
	887.75	**614.78**
Commitments		
Estimated amount of contracts unexecuted on capital account	2,010.81	1,623.92
Uncalled liability on committed investments	48.87	59.95

Notes:

i. Claims against the Company not acknowledged as debt include claim relating to pricing, commission, etc.

ii. It is not practicable for the Company to estimate the timing of cash outflow, if any, in respect of our pending resolution of the respective proceedings as it is determined only on receipt of judgements/decisions pending with various forum/authorities.

Notes to the Standalone Financial Statements

Note 38: Contingent liabilities, commitments and other litigations (to the extent not provided for) (Contd..)

iii. The Company does not expect any reimbursements in respect of the above contingent liabilities.

iv. The Company's pending litigations comprise of proceedings pending with various direct tax, indirect tax and other authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial statements.

v. There has been a Supreme Court (SC) judgement dated 28th February, 2019 relating to components of salary structure that need to be taken into account while computing the contribution to provident fund under the EPF Act. In view of the interpretative aspects related to the Judgement including the effective date of application, the Company has been advised to await further developments in this matter. The Company will continue to assess any further developments in this matter for the implications on financial statements, if any.

vi. The contingent liabilities related to income tax include disputed disallowances based on orders from the Income Tax Department. These orders pertain to the re-assessments for the assessment years 2015-16 to 2019-20 and the assessments for the years 2020-21 to 2022-23. These liabilities arose from the Survey and Search action conducted under Section 132 of the Income Tax Act on the Company in February 2023.

B. Details of other litigations:-

The National Pharmaceutical Pricing Authority ("NPPA") issued several demand notices to the Company commencing from the year 1998 seeking recovery of alleged overcharge regarding scheduled drugs under the Drugs (Prices Control) Orders-1995 ("DPCO").

In 1999 and 2000, the Company filed writ petitions before the Hon'ble Bombay High Court ("Bombay HC") challenging inclusion of certain drugs under DPCO and challenging the demand notices issued by NPPA demanding payment of alleged overcharged amounts. On 31st August, 2001, by way of its common judgment, the Bombay HC decided the writ petitions in favor of the Company, thereby holding that these drugs do not fall within the purview of DPCO and also quashed the demand notices raised by NPPA. The NPPA appealed the order to the Hon'ble Supreme Court ("SC").

On 1st August, 2003, SC set aside the Bombay HC judgment and remanded the matter to the Bombay HC for being considered afresh by it. Further, the SC stayed recovery of 50% of the alleged overcharged amounts subject to payment of the remaining 50% of the alleged overcharged amounts pending fresh determination by the Bombay HC. Accordingly, in terms of SC's Judgment the Company deposited an amount of ₹ 175.08 Crores with NPPA, representing 50% of the alleged overcharged amounts in respect of demand notices raised till 2003.

Post 2003, the company continued to receive demands ("Subsequent demands") alleging overcharging. These demands included several duplicate demands. In 2019, the Company applied to the Bombay HC to amend its pleadings to include: (i) subsequent demands (ii) and take on record the NPPA/ Government of India's RTI response on unavailability of any records pertinent to and what should have been the basis for inclusion of these drugs under the DPCO (iii) deduction of trade margin of 16% from outstanding demands (as having not accrued to the Company, as manufacturer) basis the Allahabad HC's TC Healthcare judgment (iv) re-calculation of interest from the due date of demand notice and (v) duplication of several demands.

The Bombay HC vide order dated 23rd February, 2024 allowed the amendment conditional upon the Company depositing 50% of the subsequent demands raised. The Company appealed the Bombay HC order in a special leave petition before the SC. On 19th April, 2024, the SC was pleased to issue notice and the matter is pending to be heard further.

The Company has reviewed all the notices/communications received which are attributable to the Company and are under litigation. After removing duplications as indicated above, the amount covered by the notices/communications aggregates to ₹ 2,011 Crores with the principal of ₹ 863 Crores and interest of ₹ 1,148 Crores.

The Company has been legally advised that it expects a favourable outcome in respect of this matter and therefore no provision is considered necessary in respect of the demand notices received till date.

Note 39: Employee benefits

a. Description of the plan:

Retirement benefit plans of the Company include Gratuity and Provident Fund. The Company established the Cipla Limited Employees Gratuity Fund (the "Gratuity Fund") to fund the Gratuity Plan. Liabilities in respect of the Gratuity Plan are determined by an actuarial valuation, based upon which the Company makes contributions to the Gratuity Fund.

Provident Fund is managed through the trust, Cipla Limited Employees Provident Fund Trust (the "Provident Fund") managed by the Company.

b. Governance of the plan:

The Company has setup an income tax approved irrevocable trust fund to finance the plan liability. The trustees of the trust fund are responsible for the overall governance of the plan in accordance

Notes to the Standalone Financial Statements

Note 39: Employee benefits (Contd..)

with the provisions of the trust deed and rules in the best interests of the plan participants. They are tasked with periodic reviews of the solvency of the fund and play a role in the long-term investment, risk management and funding strategy.

Further, since these funds are income-tax approved, the Company and the trustees have to ensure that they are at all times fully compliant with the relevant provisions of the Income Tax Act, 1961 and Rules.

c. Investment strategy:

The Company's investment strategy in respect of its funded plans is implemented within the framework of the applicable statutory requirements. The plans expose the Company to a number of actuarial risks such as investment risk, interest rate risk, longevity risk and inflation risk. The Company has developed policy guidelines for the allocation of assets to different classes with the objective of controlling risk and maintaining the right balance between risk and long-term returns in order to limit the cost to the Company of the benefits provided. To achieve this, investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets.

d. Charge to the profit or loss

₹ in Crores

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Defined contribution plan		
Employees' pension scheme	34.38	32.45
Others - ESIC, Labour welfare fund, etc.	1.13	1.65
	35.51	**34.10**
Defined benefit plan		
Gratuity [refer table (e) below]	35.68	17.99
Provident fund [refer table (f) below]	55.83	49.37
	91.51	**67.36**
Total contribution to provident fund and other fund	**127.02**	**101.46**

e. Disclosures for defined benefit plans based on actuarial reports

₹ in Crores

Particulars	31st March, 2025 Gratuity (funded plan)	31st March, 2024 Gratuity (funded plan)
i. Change in defined benefit obligation		
Opening defined benefit obligation	292.82	177.80
Interest cost	19.83	12.79
Current service cost	30.72	18.48
Acquisition / Divestiture	-	(1.75)
Actuarial changes arising from changes in demographic assumptions	-	13.30
Actuarial changes arising from changes in financial assumptions	12.55	71.23
Actuarial changes arising from changes in experience assumptions	14.45	19.66
Benefits paid	(27.06)	(18.69)
Liability at the end of the year	**343.31**	**292.82**
ii. Change in fair value of assets		
Opening fair value of plan assets	206.49	177.48
Expected return on plan assets	14.87	13.28
Acquisition / Divestiture	-	(1.75)
Return on plan assets, excluding interest income	9.68	4.67
Contributions by employer	129.00	32.00
Benefits paid	(26.55)	(19.19)
Closing fair value of plan assets	**333.49**	**206.49**
iii. Amount recognised in balance sheet		
Present value of obligations as at year end	(343.31)	(292.82)
Fair value of plan assets as at year end	333.49	206.49
Net liability recognised	**(9.82)**	**(86.33)**
iv. Expenses recognised in profit or loss		
Current service cost	30.72	18.48
Past service cost	-	-
Interest on defined benefit obligation	19.83	12.79
Expected return on plan assets	(14.87)	(13.28)
Total expense recognised in profit or loss	**35.68**	**17.99**
v. Expenses recognised in other comprehensive income (OCI)		
Actuarial changes arising from changes in demographic assumptions	-	13.30
Actuarial changes arising from changes in financial assumptions	12.55	71.23
Actuarial changes arising from changes in experience assumptions	14.45	19.66
Actuarial gain return on plan assets, excluding interest income	(9.68)	(4.67)
Net expense for the period recognised in OCI	**17.32**	**99.52**
vi. Actual return on plan assets		
Expected return on plan assets	14.87	13.28
Actuarial gain on plan assets	9.68	4.67
Actual return on plan assets	**24.55**	**17.95**
vii. Asset information		
Insurer managed funds	100%	100%
viii. Expected employer's contribution for the next year	**35.82**	**35.68**

Notes to the Standalone Financial Statements

Note 39: Employee benefits (Contd..)

The actuarial calculations used to estimate commitments and expenses in respect of gratuity and compensated absences [refer note 39(g)] are based on the following assumptions which if changed, would affect the commitment's size, funding requirements and expense:

Principal actuarial assumptions used	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Financial assumptions:		
Discounted rate (per annum)	6.69%	7.20%
Expected rate of return on plan assets	6.69%	7.20%
Expected rate of future salary increase (per annum)	9.00%	9.00%
Demographic assumptions:		
Mortality rate	Indian assured lives Mortality (2012-14) Ultimate	Indian assured lives Mortality (2012-14) Ultimate
Retirement age	60 Years	60 Years
Attrition rate		
- For Service 2 years and below	25.00%	25.00%
- For Service 3 years to 4 years	20.00%	20.00%
- For Service 5 years and above	10.00%	10.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in employment market. Discount rate and expected rate of return are determined by reference to market yields at the end of the reporting period on government bonds.

Sensitivity Analysis

₹ in Crores

	For the year ended 31st March, 2025		For the year ended 31st March, 2024	
Discount rate	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%
(Decrease)/increase in the defined benefit liability	(23.86)	27.21	(22.52)	19.77
Salary growth rate	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%
Increase/(decrease) in the defined benefit liability	28.03	(25.06)	20.89	(23.35)
Attrition rate	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%
(Decrease)/increase in the defined benefit liability	(4.09)	4.53	(2.76)	3.05

The sensitivity analysis above has been determined based on reasonable possible changes of the respective assumption occurring at the end of the reporting period while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the Balance Sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Maturity analysis of the benefit payments from the fund

₹ in Crores

Projected benefits payable in future years from the date of reporting	As at 31st March, 2025	As at 31st March, 2024
1st following year	35.12	34.83
2nd following year	35.30	27.71
3rd following year	33.39	30.66
4th following year	31.87	28.86
5th following year	31.71	27.37
Sum of years 6th to 10th	144.64	125.39
Sum of years 11th and above	318.56	284.85

The average duration of the defined benefit plan obligation at the end of reporting period is 7.38 years (31st March, 2024: 7.47 years)

Notes to the Standalone Financial Statements

Note 39: Employee benefits (Contd..)

f. The details of the Company's defined benefit plans in respect of the Company-owned provident fund trust based on the actuarial reports

₹ in Crores

Particulars	31st March, 2025 Provident fund (funded plan)	31st March, 2024 Provident fund (funded plan)
i. Change in defined benefit obligation		
Opening defined benefit obligation	1,437.35	1,304.82
Interest cost	119.92	106.23
Current service cost	55.83	49.37
Employee contribution	130.35	117.07
Liability transferred in	39.13	29.17
Benefits paid	(192.89)	(198.29)
Actuarial changes arising from changes in demographic assumptions	-	-
Actuarial changes arising from changes in financial assumptions	-	5.13
Actuarial changes arising from changes in experience assumptions	4.20	23.85
Liability at the end of the year	**1,593.89**	**1,437.35**
ii. Change in fair value of assets		
Opening fair value of plan assets	1,441.33	1,307.68
Expected return on plan assets	119.92	106.23
Actuarial gain	4.20	28.98
Contributions by employer/ employee	186.18	166.44
Transfer of plan assets	39.13	29.17
Benefits paid	(192.89)	(198.29)
Other adjustments	0.49	1.12
Closing fair value of plan assets	**1,598.36**	**1,441.33**
iii. Amount recognised in balance sheet		
Present value of obligations as at year end	(1,593.89)	(1,437.35)
Fair value of plan assets as at year end	1,598.36	1,441.33
Funded status	(4.47)	(3.98)
Net asset/(liability) recognised	**-**	**-**
iv. Expenses recognised in profit or loss		
Current service cost	55.83	49.37
Past service cost	-	-
Interest cost	119.92	106.23
Expected return on plan assets	(119.92)	(106.23)
Total expense recognised in profit or loss	**55.83**	**49.37**

Note 39: Employee benefits (Contd..)

₹ in Crores

Particulars	31st March, 2025 Provident fund (funded plan)	31st March, 2024 Provident fund (funded plan)
v. Actual return on plan assets		
Expected return on plan assets	119.92	106.23
Actuarial gain on plan assets	4.20	28.98
Actual return on plan assets	**124.12**	**135.21**
vi. Asset information		
(A) Quoted investments		
Investment in PSU bonds	635.14	516.68
Investment in Government securities	695.58	680.68
Equity/insurer managed funds/ mutual funds	202.13	176.10
(B) Unquoted investments		
Bank special deposit	15.58	15.58
Investment in other securities	49.93	52.29
Total assets at the end of the year	**1,598.36**	**1,441.33**
vii. Expected employer's contribution for the next year	**59.74**	**52.82**
viii. Principal actuarial assumptions used		
Discounted rate (per annum)	6.69%	7.20%
Expected rate of return on plan assets (per annum)	8.25%	8.25%
Expected rate of future salary increase (per annum)	9.00%	9.00%
Demographic assumptions:		
Mortality rate	Indian assured lives Mortality (2012-14) Ultimate	Indian assured lives Mortality (2012-14) Ultimate
Retirement age	60 Years	60 Years
Attrition rate		
- For Service 2 years and below	25.00%	25.00%
- For Service 3 years to 4 years	20.00%	20.00%
- For Service 5 years and above	10.00%	10.00%

Note 39: Employee benefits (Contd..)

Sensitivity Analysis

₹ in Crores

	For the year ended 31st March, 2025		For the year ended 31st March, 2024	
Discount rate	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%
(Decrease)/increase in the defined benefit liability	(53.42)	87.21	(46.57)	76.70
Interest rate guarantee	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%
Increase/(decrease) in the defined benefit liability	81.27	(52.57)	71.53	(45.85)

Notes to the Standalone Financial Statements

Note 39: Employee benefits (Contd..)

The sensitivity analysis above has been determined based on reasonable possible changes of the respective assumption occurring at the end of the reporting period while holding all other assumptions constant. The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the Balance Sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Maturity analysis of the benefit payments from the fund

₹ in Crores

Projected benefits payable in future years from the date of reporting	As at 31st March, 2025	As at 31st March, 2024
1st following year	76.33	102.85
2nd following year	69.87	95.23
3rd following year	64.34	91.50
4th following year	63.82	92.99
5th following year	65.09	101.22
Sum of years 6th to 10th	329.72	515.94

g. There are no amounts included in the Fair Value of Plan Assets (Gratuity and Provident fund):

- Company's own financial instrument
- Property occupied by or other assets used by the Company

h. Compensated absences note:

The Company provides for accumulation of compensated absences by certain categories of its employees. These employees can carry forward a portion of the unutilised compensated absences and utilise them in future periods or receive cash in lieu thereof as per the Company's policy. The Company records a liability for compensated absences in the period in which the employee renders the services that increases this entitlement. The total liability recorded by the Company towards this obligation was ₹ 136.38 crores and ₹ 121.10 crores as at 31st March, 2025 and 31st March, 2024 respectively.

Note 40: Related Party Disclosures

Information on related party transactions as required by Ind AS 24 - Related Party Disclosures are given below:

A. Enterprise where control exists:

Sr. No.	Name of the Company
(a)	**Subsidiaries (held directly)**
	Cipla Medpro South Africa (Pty) Limited
	Cipla Holding B.V.
	Cipla Pharma and Life Sciences Limited
	Cipla (EU) Limited
	Cipla Health Limited
	Goldencross Pharma Limited
	Jay Precision Pharmaceuticals Private Limited
	Meditab Specialities Limited
	Cipla Pharmaceuticals Limited
	Saba Investment Limited (ceased to be a subsidiary w.e.f. 29th September, 2023)
	Cipla Digital Health Limited
(b)	**Subsidiaries (held indirectly)**
	Cipla Australia Pty Limited
	Medispray Laboratories Private Limited
	Sitec Labs Limited
	Meditab Holdings Limited
	Cipla Kenya Limited
	Cipla Malaysia Sdn. Bhd.
	Cipla Europe NV
	Cipla Quality Chemical Industries Limited (ceased to be a subsidiary w.e.f. 14th November, 2023)
	Cipla Dibcare (Pty) Limited (Dissolved w.e.f. 26th June 2024)
	Cipla Medpro Manufacturing (Pty) Limited
	Cipla-Medpro (Pty) Limited
	Cipla-Medpro Distribution Centre (Pty) Limited
	Cipla Medpro Botswana (Pty) Limited
	Cipla Select (Pty) Limited
	Medpro Pharmaceutica (Pty) Limited
	Breathe Free Lanka (Private) Limited
	Cipla Medica Pharmaceutical and Chemical Industries Limited (ceased to be a subsidiary w.e.f. 29th September, 2023)
	Cipla Brasil Importadora E Distribuidora De Medicamentos Ltd.
	Cipla Maroc SA
	Cipla Middle East Pharmaceuticals FZ-LLC (ceased to be a subsidiary w.e.f. 29th September, 2023)
	Cipla Philippines Inc. (Dissolved with retrospective effect from 31st March, 2024)
	Cipla USA Inc.
	Invagen Pharmaceuticals Inc.
	Exelan Pharmaceuticals Inc.
	Cipla Algérie
	Cipla Technologies LLC (Merged with Cipla USA Inc w.e.f. 31st March, 2024)
	Cipla Gulf FZ-LLC
	Mirren (Pty) Limited
	Madison Pharmaceuticals Inc. (Dissolved w.e.f. 28th April, 2023)
	Cipla Colombia SAS

Notes to the Standalone Financial Statements

Note 40: Related Party Disclosures (Contd..)

Sr. No.	Name of the Company
	Cipla (China) Pharmaceutical Co., Ltd.
	Cipla (Jiangsu) Pharmaceutical Co., Ltd.
	Cipla Therapeutics Inc.
	Aspergen Inc.
	Actor Pharma (Pty) Limited (w.e.f. 7th February, 2024)
	Mexicip S.A. de C.V. (w.e.f. 22nd January, 2024)
(c)	**Associates held directly**
	AMPSolar Power Systems Private Limited
	GoApptiv Private Limited
	Clean Max Auriga Power LLP
	AMP Energy Green Eleven Private Limited
	Achira Labs Private Limited
(d)	**Associates held indirectly**
	Stempeutics Research Private Limited
	Brandmed (Pty) Limited
	Iconphygital Private Limited (Wholly owned subsidiary of GoApptiv Private Limited)
	MKC Biotherapeutics Inc. (Incorporated w.e.f. 27th February, 2024)
	Pactiv Healthcare Private Limited (Wholly owned subsidiary of GoApptiv Private Limited w.e.f. 26th July, 2023)
B.	**Key management personnel (KMP)**
	Samina Hamied - Executive Vice-Chairperson (Resigned w.e.f. close of business hours on 31st March, 2024)
	Umang Vohra -Managing Director and Global Chief Executive Officer
	Ashish Adukia - Global Chief Financial Officer
C.	**Non-executive Chairman and Non-executive Vice-Chairman**
	Dr Y K Hamied - Chairman
	M K Hamied - Vice Chairman (Resigned w.e.f. close of business hours of 29th October, 2024)
D.	**Non-executive Directors**
	Samina Hamied (w.e.f. 1st April 2024, till close of business hours of 29th October, 2024)
	Kamil Hamied (w.e.f. 1st November, 2024)
	Ashok Sinha (Retired w.e.f. 3rd September, 2024)
	Punita Lal (Retired w.e.f. 13th November, 2024)
	S Radhakrishnan (Retired w.e.f. conclusion of AGM held on 20th August, 2024)
	Dr Peter Mugyenyi (Resigned w.e.f. 13th May, 2023)
	Robert Stewart
	P R Ramesh
	Dr Mandar Vaidya
	Dr Balram Bhargava (w.e.f. 1st April, 2024)
	Maya Hari (w.e.f. 1st November, 2024)
	Sharmila Paranpje (w.e.f. 1st September, 2024)
	Abhijit Joshi (w.e.f. 3rd September, 2024)
	Adil Zainulbhai

Note 40: Related Party Disclosures (Contd..)

Sr. No.	Name of the Company
E.	**Entities over which Company is able to exercise control/ significant influence**
	Cipla Employees Stock Option Trust (De-registered)
	Cipla Health Employees Stock Option Trust
	The Cipla Empowerment Trust (w.e.f. 30th June, 2022)
F.	**Entities over which the KMP or their relatives is able to exercise significant influence/control**
	Chest Research Foundation (formerly known as Hamied Foundation)
	Cipla Foundation
	Cipla Cancer & AIDS Foundation
G.	**Post-employment benefit trusts**
	Cipla Limited Employees Provident Fund
	Cipla Limited Employees Gratuity Fund

₹ in Crores

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
A. Investment in equity shares of Subsidiaries		
Cipla (EU) Limited	156.00	263.36
Cipla Digital Health Limited*	8.00	16.50
Cipla Pharmaceuticals Limited**	292.64	-
Cipla Medpro South Africa (Pty) Limited	426.16	-
	882.80	**279.86**

* Includes share application money pending allotment of ₹ 3.00 Crores (31st March 2024 : nil)

** Includes share application money pending allotment of ₹ 107.20 Crores (31st March 2024 : nil)

₹ in Crores

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
B. Investment in equity shares of Associates		
GoApptiv Private Limited (refer note 5)	-	7.00
	-	**7.00**
C. Investment in Compulsory Convertible Preference Shares of Associates		
GoApptiv Private Limited (refer note 5)	-	35.00
	-	**35.00**

Notes to the Standalone Financial Statements

Note 40: Related Party Disclosures (Contd..)

₹ in Crores

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
D. Investment in Optionally Convertible (Redeemable) Preference Shares of Associates		
Achira Labs Private Limited	6.00	-
	6.00	**-**
E. Disinvestment in equity shares of Subsidiaries		
Saba Investment Limited	-	49.82
	-	**49.82**
F. Loans given		
Cipla Health Limited	80.00	-
Sitec Labs Limited	21.00	2.00
Cipla USA Inc.	392.37	205.49
Cipla Pharma and Life Sciences Limited	-	198.21
Cipla Medpro South Africa (Pty) Limited	-	933.22
	493.37	**1,338.92**
G. Loan repaid		
Cipla Medpro South Africa (Pty) Limited	378.32	-
Cipla USA Inc.	793.33	-
Cipla Pharma and Life Sciences Limited	198.21	-
Cipla Health Limited	130.20	77.89
	1,500.06	**77.89**
H. Interest outstanding		
Cipla USA Inc.	2.83	18.66
Cipla Pharma and Life Sciences Limited	-	1.14
	2.83	**19.80**
I. Outstanding Loan		
Cipla Health Limited	-	50.20
Sitec Labs Limited	26.00	5.00
Cipla Pharma and Life Sciences Limited	-	198.21
Cipla Medpro South Africa (Pty) Limited	564.90	917.70
Cipla USA Inc.	598.33	992.52
	1,189.23	**2,163.63**
J. Guarantees Given		
Medpro Pharmaceutica (Pty) Limited	-	423.87
	-	**423.87**
K. Guarantees Released		
Medpro Pharmaceutica (Pty) Limited	-	423.87
	-	**423.87**
L. Outstanding payables		
Goldencross Pharma Limited	14.26	11.62
Sitec Labs Limited	4.90	9.29
Medispray Laboratories Private Limited	35.26	22.20
Cipla Malaysia Sdn. Bhd.	3.37	2.23
Jay Precision Pharmaceuticals Private Limited	18.24	16.59

Note 40: Related Party Disclosures (Contd..)

₹ in Crores

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Meditab Specialities Limited	2.66	5.09
Cipla Kenya Limited	16.89	18.52
Cipla (China) Pharmaceutical Co. Ltd	10.78	9.49
Cipla Holding B.V.	8.82	4.90
Exelan Pharmaceuticals Inc.	17.56	17.05
Cipla Pharmaceuticals Limited	0.28	-
Cipla Digital Health Limited	10.62	-
Mexicip S.A. De C.V.	5.66	-
Cipla Brasil Importadora E Distribuidora De Medicamentos Limiteda.	0.67	5.78
Stempeutics Research Private Limited	1.15	2.64
GoApptiv Private Limited	7.89	1.20
Clean Max Auriga Power LLP	0.11	-
AMP Energy Green Eleven Private Limited	1.72	0.60
AMPSolar Power Systems Private Limited	0.17	0.63
Cipla (EU) Limited	-	30.42
InvaGen Pharmaceuticals Inc.	41.15	7.59
Cipla Australia Pty Limited	-	32.53
Cipla Europe NV	48.95	68.52
	251.11	**266.89**
M. Outstanding receivables		
Cipla Gulf FZ LLC	4.67	54.55
Breathe Free Lanka (Private) Limited	54.41	67.52
Cipla Australia Pty Limited	4.34	-
Cipla USA Inc.	1,434.59	837.53
Cipla Medpro South Africa (Pty) Limited	23.59	21.22
Medpro Pharmaceutica (Pty) Limited	304.28	237.78
Cipla Health Limited	50.25	11.24
Mirren (Pty) Limited	1.46	1.98
Cipla Maroc S.A.	14.51	9.59
Cipla Technologies LLC	-	0.15
Cipla (EU) Limited	58.85	-
Cipla Colombia SAS	32.18	39.85
Cipla Select (Pty) Limited	29.24	19.65
Cipla (Jiangsu) Pharmaceutical Co., Ltd	2.83	0.15
Cipla Pharma and Life Sciences Limited	67.61	27.48
Cipla Pharmaceuticals Limited	-	0.02
Cipla Digital Health Limited	-	2.55
Aspergen Inc.	4.80	1.07
Cipla Foundation	0.33	0.15
Achira Labs Private Limited	0.03	-
Clean Max Auriga Power LLP	-	0.01
Cipla Therapeutics Inc.	0.02	0.07
Cipla Medpro Manufacturing (Pty) Limited	4.99	5.23
	2,092.98	**1,337.79**

Notes to the Standalone Financial Statements

Note 40: Related Party Disclosures (Contd..)

₹ in Crores

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
N. Capital advance		
Meditab Specialities Limited	55.74	55.74
	55.74	**55.74**
O. Electricity charges paid		
AMPSolar Power Systems Private Limited	16.12	17.88
AMP Energy Green Eleven Private Limited	8.28	9.62
Clean Max Auriga Power LLP	8.12	8.83
	32.52	**36.33**
P. Interest income and guarantee Commission		
Cipla Health Limited	1.68	5.83
Sitec Labs Limited	1.21	0.28
Cipla USA Inc.	49.75	63.01
Cipla Pharma and Life Sciences Limited	6.17	1.26
Medpro Pharmaceutica (Pty) Limited	-	0.15
Cipla Medpro South Africa (Pty) Limited	94.57	30.33
GoApptiv Private Limited	-	0.01
	153.38	**100.87**
Q. Remuneration to Key Management Personnel and Directors#		
Short-term employee benefits**	34.93	36.88
Post-employment benefit plans*	0.64	2.72
Other long-term benefits	-	-
Share based payments expense	7.53	6.50
	43.10	**46.10**

**Includes remuneration (sitting fee, commission etc.) to Non-executive directors amounting to ₹ 18.51 Crores (31st March, 2024: ₹ 14.31 Crores)

*Expenses towards gratuity, compensated absences and premium paid for group health insurance has not been considered in above information as a separate actuarial valuation/premium paid are not available.

#Remuneration reported pertains to the amount paid including variable pay of previous year, ESOP/ESAR exercised during year ended 31st March, 2025 and 31st March, 2024 but does not include provisions towards variable pay, share based payment expenses as per Ind AS 102 etc.

₹ in Crores

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
R. Purchase of goods		
Goldencross Pharma Limited	117.85	61.90
Medispray Laboratories Private Limited	318.55	275.22
Meditab Specialities Limited	0.46	4.06
Jay Precision Pharmaceuticals Private Limited	142.91	154.40
Cipla Health Limited	53.46	63.39

Note 40: Related Party Disclosures (Contd..)

₹ in Crores

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Cipla (Jiangsu) Pharmaceutical Co., Ltd.	5.77	-
InvaGen Pharmaceuticals Inc.	12.63	1.24
Cipla Pharma and Life Sciences Limited	0.80	0.16
Cipla USA Inc.	-	0.59
Stempeutics Research Private Limited	5.61	2.95
	658.04	**563.91**
S. Commission paid		
Cipla Kenya Limited	-	9.23
	-	**9.23**
T. Processing charges paid		
Goldencross Pharma Limited	50.87	63.07
Medispray Laboratories Private Limited	60.33	54.07
Meditab Specialities Limited	30.18	21.78
	141.38	**138.92**
U. Testing and analysis charges paid		
Cipla USA Inc.	38.00	-
Sitec Labs Limited	137.73	127.91
Medpro Pharmaceutica (Pty) Limited	0.01	-
Cipla Pharma and Life Sciences Limited	-	0.21
	175.74	**128.12**
V. Freight charges received		
Medpro Pharmaceutica (Pty) Limited	-	0.01
Cipla Medpro Manufacturing (Pty) Ltd	-	0.02
	-	**0.03**
W. Sale of goods		
Goldencross Pharma Limited	28.82	1.36
Meditab Specialities Limited	0.39	1.18
Medispray Laboratories Private Limited	55.74	41.41
Cipla Quality Chemical Industries Limited	-	3.52
Cipla Health Limited	0.01	0.12
Sitec Labs Limited	1.26	1.02
Cipla Pharma and Life Sciences Limited	379.37	13.96
Cipla (EU) Limited	189.50	34.30
Cipla Europe NV	100.77	36.39
Cipla Australia Pty Limited	29.47	0.27
Cipla USA Inc.	1,897.81	1,646.65
Invagen Pharmaceuticals Inc.	2.13	20.15
Cipla Kenya Limited	30.69	11.96
Cipla Maroc S.A.	43.56	38.97
Cipla Middle East Pharmaceuticals FZ-LLC *	-	(0.55)
Breathe Free Lanka (Private) Limited	146.19	175.85
Cipla Colombia SAS	29.76	47.84
Cipla Gulf FZ-LLC	31.80	119.79
Medpro Pharmaceutica (Pty) Limited	549.01	427.31
Cipla Select (Pty) Limited	31.54	27.34
Exelan Pharmaceuticals Inc.	17.40	42.76
Mirren (Pty) Limited	-	0.01
Cipla Brasil Importadora E Distribuidora De Medicamentos Ltda.	3.19	1.39
Cipla Medpro Manufacturing (Pty) Ltd	0.10	4.09
GoApptiv Private Limited	0.11	0.68
	3,568.62	**2,697.77**

* relates to subvention

Notes to the Standalone Financial Statements

Note 40: Related Party Disclosures (Contd..)

₹ in Crores

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
X. Sale of assets		
Medispray Laboratories Private Limited	0.09	0.36
Cipla Pharma and Life Sciences Limited	-	1.61
Goldencross Pharma Limited	8.13	0.01
Sitec Labs Limited	0.94	0.44
InvaGen Pharmaceuticals Inc.	0.09	7.08
Cipla Health Limited	-	0.30
Cipla Medpro Manufacturing (Pty) Limited	1.16	0.88
Meditab Specialities Limited	0.66	0.16
Mirren (Pty) Limited	(0.29)	0.43
	10.78	**11.27**
Y. Purchase of assets		
Cipla Pharma and Life Sciences Limited	-	0.05
Medispray Laboratories Private Limited	0.08	0.00
Goldencross Pharma Limited	0.01	0.01
Stempeutics Research Private Limited	6.00	-
	6.09	**0.06**
Z. Processing charges received		
Medispray Laboratories Private Limited	3.01	3.09
	3.01	**3.09**
AA. Contribution to provident fund and other fund		
Cipla Limited Employee Gratuity Fund	129.00	32.00
Cipla Limited Employee Provident Fund (to the extent of employer contribution)	55.83	49.37
	184.83	**81.37**
AB. Service charges paid		
Cipla Pharma and Life Sciences Limited	15.28	12.52
Cipla (EU) Limited	1.46	26.68
Cipla Australia Pty. Ltd.	8.39	9.43
Cipla Malaysia Sdn. Bhd.	7.76	7.96
Cipla Health Limited	1.11	0.73
Cipla Kenya Limited	11.67	-
Cipla Digital Health Limited	14.32	-
Cipla (China) Pharmaceutical Co. Ltd	7.85	5.70
Cipla Gulf FZ-LLC	-	6.26
GoApptiv Private Limited	32.88	19.60
Cipla Holding B.V.	8.44	5.50
Stempeutics Research Private Limited	-	2.19
	109.16	**96.57**
AC. Service charges received		
Cipla Pharma and Life Sciences Limited	6.54	2.51
Cipla Health Limited	80.11	63.80
Cipla (EU) Limited	1.45	2.74
Cipla Europe NV	0.44	0.52
Cipla Holding B.V.	0.06	0.18
Breathe Free Lanka (Private) Limited	0.01	-
Cipla Technologies LLC	-	0.66
Cipla USA Inc.	2.96	4.20
InvaGen Pharmaceuticals Inc.	1.79	1.69
Goldencross Pharma Limited	0.25	0.28

Note 40: Related Party Disclosures (Contd..)

₹ in Crores

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Medispray Laboratories Private Limited	0.34	0.50
Cipla Quality Chemical Industries Limited	-	0.02
Cipla Australia Pty Limited	0.82	0.67
Cipla (Jiangsu) Pharmaceutical Co. Limited	0.22	-
Cipla Kenya Limited	0.34	0.29
Cipla Maroc S.A.	0.58	0.24
Exelan Pharmaceuticals Inc.	0.07	0.09
Meditab Specialities Limited	0.08	0.14
Cipla Select (Pty) Limited	0.10	-
Sitec Labs Limited	0.90	0.71
Medpro Pharmaceutica (Pty) Limited	6.62	5.00
Cipla Gulf FZ-LLC	0.43	0.26
Cipla Digital Health Limited	1.83	1.47
Aspergen Inc.	2.94	2.05
Cipla Medpro Manufacturing (Pty) Limited	0.69	1.87
Mirren (Pty) Limited	0.52	1.29
Cipla Pharmaceuticals Limited	0.11	0.08
Cipla Therapeutics Inc.	0.09	0.07
	110.29	**91.33**
AD. Donations given		
Cipla Foundation	67.48	58.21
	67.48	**58.21**
AE. Rent received		
Dr Y K Hamied (₹ 20,040/- in both the years)	0.00	0.00
Cipla Pharmaceuticals Limited	0.01	-
Cipla Pharma and Life Sciences Limited	1.33	1.33
	1.34	**1.33**
AF. Reimbursement of operating / other expenses		
Breathe Free Lanka (Private) Limited	0.13	1.38
Cipla Europe NV	16.87	0.05
Cipla (China) Pharmaceutical Co., Ltd	1.81	1.26
Sitec Labs Limited	1.40	4.78
InvaGen Pharmaceuticals Inc.	12.00	11.09
Goldencross Pharma Limited	7.27	-
Cipla Health Limited	0.22	12.04
Cipla Brasil Importadora E Distribuidora De Medicamentos Limiteda.	39.50	25.92
Cipla Kenya Limited	0.26	0.78
Cipla USA Inc.	242.87	328.69
Cipla Therapeutics Inc.	-	1.35
Cipla Technologies LLC	-	0.42
Stempeutics Research Private Limited	0.65	0.35
Medispray Laboratories Private Limited	0.11	0.51
Medpro Pharmaceutica (Pty) Limited	0.05	0.76
GoApptiv Private Limited	-	9.47
Cipla Gulf FZ-LLC	2.08	1.20
Cipla (EU) Limited	0.68	0.42

Notes to the Standalone Financial Statements

Note 40: Related Party Disclosures (Contd..)

₹ in Crores

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Mexicip S.A. de C.V.	5.67	-
Cipla Australia Pty. Ltd.	4.45	22.43
Cipla Malaysia Sdn. Bhd.	0.58	0.05
Cipla Middle East Pharmaceuticals FZ-LLC	-	0.99
Exelan Pharmaceuticals Inc.	7.14	6.06
	343.74	**430.00**
AG. Reimbursement received of operating / other expenses		
Goldencross Pharma Limited	0.44	0.35
Meditab Specialities Limited	0.23	0.13
Cipla Health Limited	0.41	-
Cipla Gulf FZ-LLC	0.03	0.03
Cipla (EU) Limited	0.11	0.30
Cipla Australia Pty Limited	0.13	0.14
Cipla (Jiangsu) Pharmaceutical Co., Ltd.	2.83	0.18
Cipla Medpro Manufacturing (Pty) Limited	0.02	0.03
Cipla Quality Chemical Industries Limited	-	0.48
Cipla USA Inc.	0.52	13.01
Medispray Laboratories Private Limited	1.14	0.57
Cipla Medpro South Africa (Pty) Limited	0.02	-
Cipla Pharma and Life Sciences Limited	8.60	2.69
Sitec Labs Limited	0.71	0.10
Cipla Europe NV	0.13	0.06
Invagen Pharmaceuticals Inc.	1.43	3.77
Breathe Free Lanka (Private) Limited	0.28	0.24
Cipla Malaysia Sdn. Bhd.	0.09	0.51
Cipla Maroc S.A.	0.19	0.33
Cipla Holding B.V.	0.20	0.24
Cipla Technologies LLC	-	0.78
Exelan Pharmaceuticals Inc.	0.06	0.05
Cipla Kenya Limited	0.03	0.19
Medpro Pharmaceutica (Pty) Limited	5.07	4.35
Cipla Colombia SAS	0.07	0.06
Cipla Digital Health Limited	0.14	0.04
Cipla Pharmaceuticals Limited	0.08	0.06
Aspergen Inc.	0.60	0.23
Cipla Medica Pharmaceutical and Chemical Industries Limited	-	0.83
Cipla Brasil Importadora E Distribuidora De Medicamentos Ltda.	0.01	0.03
Mirren (Pty) Limited	0.03	0.02
Cipla Middle East Pharmaceuticals FZ-LLC	-	0.26
	23.60	**30.06**
AH. Royalty received		
Cipla Health Limited	23.35	19.67
Cipla Quality Chemical Industries Limited	-	8.58

Note 40: Related Party Disclosures (Contd..)

₹ in Crores

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Cipla Medpro South Africa (Pty) Limited	46.12	41.28
Cipla USA Inc.	2,331.21	1,656.63
Cipla Pharma and Life Sciences Limited	31.47	2.52
Cipla Maroc S.A.	0.06	0.03
Cipla Digital Health Limited	-	0.00
	2,432.21	**1,728.71**
AI. Technical Know-How fees Received		
Cipla Health Limited	0.04	-
	0.04	**-**
AJ. Dividend received		
Jay Precision Pharmaceuticals Private Limited	21.66	16.84
Goldencross Pharma Limited	-	39.69
Saba Investment Limited	-	14.51
Meditab Specialities Limited	77.59	309.64
Cipla USA Inc.	0.02	0.01
	99.27	**380.69**
AK. Dividend paid to Key Management Personnel and Directors	**244.13**	**167.27**
AL. Payable to Key Management Personnel and Directors	**17.36**	**12.73**
AM. Contribution payable to gratuity/ provident fund		
Cipla Limited Employee Provident Fund	15.64	13.85
Cipla Limited Employee gratuity fund	9.82	86.34
	25.46	**100.19**
AN. Commission Received		
Cipla Australia Pty. Ltd.	-	0.04
	-	**0.04**
AO. Rent Paid		
Cipla Pharmaceuticals Limited	0.31	0.31
	0.31	**0.31**

Note - Amount less than ₹ 50,000/- is presented as ₹ 0.00 crores.

Terms and conditions of transactions with related parties:

(i) All related party transactions entered during the year were in ordinary course of the business and on arms length basis. Outstanding balances at the year end are unsecured and settlement occurs in cash.

(ii) Names of related party and related party relationships, are disclosed where transactions have taken place during the reporting period / balances are outstanding as at such date, and for all parties in the case of relationship of control and significant influence.

(iii) Equity (or equity like) investments by the Company and equity (or equity like) infusion into the Company are not considered for disclosure under balances as these are not considered "outstanding" exposures. Refer note 5 for the same.

Notes to the Standalone Financial Statements

Note 41: Share based payments

The expense recognised for employee services received during the year is shown in the following table:

₹ in Crores

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Expense arising from equity settled share based payment transactions (ESOS and ESAR)*	27.15	25.07

* Current year charge is net off cross charge to Cipla Pharma and Life Sciences Limited of ₹ 0.28 Crores.

A. Employee stock option scheme ('ESOS')

The Company has implemented Employee Stock Option Scheme 2013-A ('ESOS 2013-A Scheme') as approved by the shareholders on 22nd August, 2013. The ESOS 2013-A Scheme covers the permanent employees of the Company and its subsidiaries and directors (excluding promoter directors) [collectively "eligible employees"]. The nomination and remuneration committee of the Board of Cipla Limited administers the ESOS 2013-A Scheme and grants stock options to eligible employees.

Details of the options granted during the year ended 31st March, 2025 and 31st March, 2024 under the Scheme(s) are given below:

Scheme details	Grant date	No. of options granted	Exercise price (₹) per option	Vesting period	Exercise period
ESOS 2013 - A	12th May, 2023	1,37,733	2.00	2 Years	5 Years from vesting date
ESOS 2013 - A	12th May, 2023	23,896	2.00	1 Year	Within same calender year of vesting
ESOS 2013 - A	10th May, 2024	16,584	2.00	1 Year	Within same calender year of vesting
ESOS 2013 - A	10th May, 2024	16,584	2.00	1 Year, 11 months	Within same calender year of vesting
ESOS 2013 - A	10th May, 2024	89,110	2.00	2 Years	5 Years from vesting date

The options are granted at an exercise price, which is in accordance with the relevant SEBI guidelines in force, at the time of such grants. Each option entitles the holder to exercise the right to apply for and seek allotment of one equity share of face value ₹ 2 each.

Weighted average share price for options exercised during the year ended 31st March, 2025

Particulars	ESOS - 2013 - A
Weighted average share price (₹)	1,464.32

Weighted average share price for options exercised during the year ended 31st March, 2024

Particulars	ESOS - 2013 - A
Weighted average share price (₹)	1,052.70

Stock option activity under the scheme(s) for the year ended 31st March, 2025 is set out below:

ESOS 2013 - A

Particulars	No. of options	Weighted average exercise price (₹) per option	Range of exercise price (₹) per option	Weighted average remaining contractual life (years)
Outstanding at the beginning of the year	**4,21,584**	**2.00**	**2.00**	**4.32**
Granted during the year	1,22,278	2.00	2.00	-
Forfeited/cancelled during the year	(19,169)	2.00	2.00	-
Lapsed during the year	-	2.00	2.00	-
Exercised during the year	(1,42,856)	2.00	2.00	-
Outstanding at the end of the year	**3,81,837**	**2.00**	**2.00**	**4.02**
Exercisable at the end of the year	1,64,824	2.00	2.00	2.85

Notes to the Standalone Financial Statements

Note 41: Share based payments (Contd..)

Stock option activity under the scheme(s) for the year ended 31st March, 2024 is set out below:

ESOS 2013 - A

Particulars	No. of options	Weighted average exercise price (₹) per option	Range of exercise price (₹) per option	Weighted average remaining contractual life (years)
Outstanding at the beginning of the year	**4,24,447**	**2.00**	**2.00**	**4.29**
Granted during the year	1,61,629	2.00	2.00	-
Forfeited/cancelled during the year	(18,933)	2.00	2.00	-
Lapsed during the year	-	2.00	2.00	-
Exercised during the year	(1,45,559)	2.00	2.00	-
Outstanding at the end of the year	**4,21,584**	**2.00**	**2.00**	**4.32**
Exercisable at the end of the year	1,54,270	2.00	2.00	2.76

The Black Scholes valuation model has been used for computing weighted average fair value considering the following inputs:

ESOS 2013 - A	31st March, 2025	31st March, 2024
Expected dividend yield (%)	0.63%	0.53%
Expected volatility	26.28%	26.46%
Risk-free interest rate	6.99%	6.86%
Weighted average share price (₹)	1,358.80	943.60
Exercise price (₹)	2.00	2.00
Expected life of options granted in years	3.77	4.04
Weighted average fair value of options (₹)	1,325.44	922.12

B. Employee Stock Appreciation Rights ('ESARs')

The Company has implemented "Cipla Employee Stock Appreciation Rights Scheme 2021 ('ESAR 2021/the Scheme')" as approved by the shareholders by postal ballot on 25th March, 2021. The Scheme covers the employees who are in permanent employment, including director(s) other than independent directors of the Company and its subsidiaries [collectively "eligible employees"]. The nomination and remuneration committee of the Board of Cipla Limited will administer this scheme and grant ESARs to the eligible employees. Further, the maximum number of Employee Stock Appreciation Rights (ESARs) that may be granted under the Scheme shall not exceed 1,75,00,000 and the maximum number of equity shares that may be issued towards appreciation of the ESARs to be granted under the Scheme shall not exceed 33,00,000 shares of ₹ 2 each, i.e. face value. As per the terms of the ESAR Scheme, each ESAR will be settled by the issue of shares and hence been accounted as equity settled.

Details of the ESAR granted during the year ended 31st March, 2025 and 31st March, 2024 are given below:

Scheme details	Grant date	No. of options granted	Exercise price (₹) per option	Vesting period	Fair value at grant date	Exercise period
ESAR 2021	12th May, 2023	3,87,836	2.00	3 Years graded vesting	330.42	5 Years from vesting date
ESAR 2021	12th May, 2023	76,821	2.00	1 Year	292.89	5 Years from vesting date
ESAR 2021	10th May, 2024	2,93,393	2.00	3 Years graded vesting	435.45	5 Years from vesting date
ESAR 2021	10th May, 2024	63,746	2.00	1 Year	352.97	5 Years from vesting date
ESAR 2021	10th May, 2024	50,659	2.00	1 Year, 11 months	444.15	5 Years from vesting date

Weighted average share price for ESAR exercised during year ended 31st March, 2025

Particulars	ESAR 2021
Weighted average share price (₹)	1,496.51

Weighted average share price for ESAR exercised during year ended 31st March, 2024

Particulars	ESAR 2021
Weighted average share price (₹)	1,221.95

Notes to the Standalone Financial Statements

Note 41: Share based payments (Contd..)

Stock option activity under the scheme(s) for the year ended 31st March, 2025 is set out below:

ESAR 2021

Particulars	No. of options	Weighted average exercise price (base price) (₹) per option	Range of exercise price (base price) (₹) per option	Weighted average remaining contractual life (years)
Outstanding at the beginning of the year	**7,49,785**	**941.11**	**913.38-1,139.34**	**5.58**
Granted during the year	4,07,798	1,390.90	1,390.90	-
Forfeited/cancelled during the year	(60,595)	1,058.73	913.38 - 1,390.9	-
Lapsed during the year	-	-	-	-
Exercised during the year*	(2,60,402)	932.87	913.38 - 984.67	-
Outstanding at the end of the year	**8,36,586**	**1,154.41**	**913.38-1,390.9**	**5.32**
Exercisable at the end of the year	1,90,074	959.82	913.38-1,139.34	3.83

* Number of shares are issued against options exercised based on formula as defined in ESAR scheme 2021.

Stock option activity under the scheme(s) for the year ended 31st March, 2024 is set out below:

ESAR 2021

Particulars	No. of options	Weighted average exercise price (base price) (₹) per option	Range of exercise price (base price) (₹) per option	Weighted average remaining contractual life (years)
Outstanding at the beginning of the year	**7,00,755**	**956.17**	**913.38-1,139.34**	**5.38**
Granted during the year	4,64,657	918.77	918.77	-
Forfeited/cancelled during the year	(50,285)	937.64	913.38 - 984.67	-
Lapsed during the year	-	-	-	-
Exercised during the year*	(3,65,342)	942.06	913.38 - 984.67	-
Outstanding at the end of the year	**7,49,785**	**941.11**	**913.38-1,139.34**	**5.58**
Exercisable at the end of the year	80,824	957.00	913.38-1139.34	3.91

* Number of shares are issued against options exercised based on formula as defined in ESAR scheme 2021.

The Black Scholes valuation model has been used for computing weighted average fair value considering the following inputs:

Particulars	31st March, 2025	31st March, 2024
Expected dividend yield (%)	0.63%	0.53%
Expected volatility	25.98%	27.74%
Risk-free interest rate	7.02%	6.85%
Weighted average share price (₹)	1,358.80	943.60
Exercise price (₹)	1,390.90	918.77
Expected life of options granted in years	4.33	4.34
Weighted average fair value of options (₹)	423.64	324.21

The effect of share based payment transactions on the entity's profit or loss for the period and earnings per share is presented below:

Particulars	31st March, 2025	31st March, 2024
Profit from continuing and discontinuing operations after tax as reported (₹ in Crore)	5,157.65	4,077.25
Share based payment expense (₹ in Crore)	27.15	25.07
Earnings per share		
Basic (₹)	64.20	50.82
Diluted (₹)	64.15	50.77

Notes to the Standalone Financial Statements

Note 42: Segment information

In accordance with paragraph 3 of Indian Accounting Standard (Ind AS) 108 - Operating Segments, segment information has been given in the consolidated financial statements of the Company, and therefore, no separate disclosure on segment information is given in these standalone financial statements.

Note 43: Details of loans given, investment made and guarantee given

(a) Disclosure as per Regulations 34(3) and 53(f) of Securities Exchange Board of India - Listing Obligations and Disclosure Requirements (LODR) and Section 186(4) of the Companies Act, 2013 for the year ended 31st March, 2025 and 31st March, 2024:

Sr. No.	Name of the Company	Granted during the year ended 31st March, 2025	Maximum balance during the year	As at 31st March, 2025	Granted during the year ended 31st March, 2024	Maximum balance during the year	As at 31st March, 2024
1	Cipla USA Inc.	392.37	992.52	598.33	205.49	992.52	992.52
2	Cipla Health Limited	80.00	130.20	-	-	128.09	50.20
3	Sitec Labs Limited	21.00	26.00	26.00	2.00	5.00	5.00
4	Cipla Pharma and Life Sciences Limited	-	198.21	-	198.21	198.21	198.21
5	Cipla Medpro South Africa (Pty) Limited	-	1,025.33	564.90	933.22	943.43	917.70

Notes:

i. All the above loans have been given for business purposes.

ii. The loanees have not made any investment in the shares of the Company.

iii. Loans given to employees as per the Company's policy are not considered.

iv. Loans granted are unsecured.

v. Refer note 6 and 15 for loans granted during the year.

(b) Refer note 5 for investments.

(c) Corporate guarantees given by the Company in respect of loans obtained by subsidiaries - During previous year the Company had given guarantee on behalf of its wholly owned subsidiary Medpro Pharmaceutica (Pty) Ltd. of ₹ 423.87 Crore (ZAR 945 million). The guarantee was issued on 17th November 2023 and was released on 13th December 2023.

Note 44: Additional disclosure with respect to amendments to Schedule III

a. The Company does not have any Benami property, where any proceeding has been initiated or pending against them for holding any Benami property.

b. The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

c. The Company has not been declared a wilful defaulter by any bank or financial institution or other lender (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

d. The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies (ROC) beyond the statutory period.

e. The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial year.

f. The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall :

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries); or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

g. The Company has not entered into any scheme of arrangement which has an accounting impact on the current or previous financial year.

h. The Company has complied with the number of layers prescribed under the Companies Act, 2013.

i. The Company does not have any transaction with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956 as of and for the year ended 31st March, 2025 and 31st March 2024:

j. The Company has invested in the following entities with the understanding (whether recorded in writing or otherwise) that the Company shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries). However it has not been from the borrowed fund.

Notes to the Standalone Financial Statements

Note 44: Additional disclosure with respect to amendments to Schedule III (Contd..)

31st March, 2025:-

₹ in Crores

Sr. No.	Name of entity	Amount	Nature of transactions	Purpose
1	Cipla (EU) Limited	156.00	Investment in wholly owned subsidiary	For further investment in step down subsidiaries

31st March, 2024:-

₹ in Crores

Sr. No.	Name of entity	Amount	Nature of transactions	Purpose
1	Cipla (EU) Limited	250.95	Investment in wholly owned subsidiary	For further investment and loan in step down subsidiaries

k. The Company has not advanced or loaned funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a. directly or indirectly lend in other persons or entities identified in any manner whatsoever by or on behalf of the group (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

Analytical ratios

Sr. No.	Particulars	Numerator	Denominator	As at 31st March 2025 Current Period	As at 31st March 2024 Previous Period	% Variance	Variance Remark
1	Current ratio (in times)	Current assets	Current liabilities	5.77	5.19	11.18%	Note a
2	Debt-equity ratio (in times)	Total debt (1)	Shareholder's equity	0.004	0.002	131.25%	Note b
3	Debt service coverage ratio (in times)*	Earning available for Debt Service (2)	Debt service (3)	237.65	206.68	14.98%	Note a
4	Return on equity ratio (in %)	Net Profits after taxes	Average Shareholder's Equity	17.17%	15.50%	10.77%	Note a
5	Inventory turnover ratio (in times)	Cost of goods sold	Average inventory	1.59	1.79	(10.93%)	Note a
6	Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivable	5.82	6.48	(10.19%)	Note a
7	Trade payables turnover ratio (in times)	Net Credit Purchases & other expenses	Average trade payables	5.72	6.13	(6.69%)	Note a
8	Net capital turnover ratio (in times)	Revenue from operations	Working capital	1.25	1.51	(17.22%)	Note a
9	Net profit ratio (in %)	Net profit	Revenue from operations	27.08%	22.58%	19.93%	Note a
10	Return on capital employed (in %)	Earnings before interest and taxes	Capital employed (4)	19.21%	19.46%	(1.28%)	Note a
11	Return on investment (in %)	Interest and Treasury Income (5)	Monthly Average Investment (6)	7.68%	7.15%	7.41%	Note a

Notes :

a. In respect of aforesaid mentioned ratios, there is no significant change (25% or more) in FY 2024-25 in comparison to FY 2023-24.

b. Change due to increase in lease liability for new lease agreements entered during the years

* The Company does not have any borrowings as at 31st March, 2025 and 31st March, 2024. Debt Service coverage ratio has been computed basis lease liabilities repayment schedule as per Guidance note on Schedule III issued by the Institute of Chartered Accountants of India.

(1) Debt represents only lease liabilities

(2) Net Profit after taxes + Non-cash operating expenses like depreciation and other amortisations + Interest + other adjustments

(3) Interest and lease payments + Principal repayments

(4) Tangible net worth + deferred tax liabilities + Lease Liabilities

(5) Interest on inter-company deposits and fixed deposits + income from mutual funds

(6) Average of monthly balances of (Inter-company deposits + fixed deposits + investments in mutual funds)

Notes to the Standalone Financial Statements

Note 45: Financial instruments

A. Accounting classification and fair value measurement

The fair value of financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

The carrying amount of trade receivable, lease liability, trade payable, loans, cash and cash equivalents, other bank balances and other receivables as at 31st March, 2025 and 31st March, 2024 are considered to be the same as their fair values, due to their short-term nature.

Financial Instruments with fixed and variable interest rates are evaluated by the company based on parameters such as interest rate and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for the expected losses of these receivables.

Fair value hierarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of following:

Level 1 - Category includes financial assets and liabilities, that are measured in whole or in significant part by reference to published quoted price (unadjusted) in an active market.

Level 2 - Category includes financial assets and liabilities measured using a valuation technique based on assumptions that are supported by prices from observable current market transactions. These include assets and liabilities for which pricing is obtained via pricing services, but where prices have not been determined in an active market, financial assets with fair values based on broker quotes and assets that are valued using the Company's own valuation models whereby the material assumptions are market observable. The majority of Company’s over-the-counter derivatives and several other instruments not traded in active markets fall within this category.

Level 3 - Category includes financial assets and liabilities measured using valuation techniques based on non market observable inputs. This means that fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. However, the fair value measurement objective remains the same, that is, to estimate an exit price from the perspective of the Company. The main asset classes in this category are unlisted equity investments as well as unlisted funds.

Notes to the Standalone Financial Statements

Note 45: Financial instruments (Contd..)

The carrying value and fair value of financial instruments by categories as on 31st March, 2025, were as follows:

₹ in Crores

Particulars	Note	Carrying value					Fair Value			
		FVTPL	FVOCI							
		Mandatory Designation	Mandatory Designation	Designated upon initial recognition	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial assets:										
Non-Current Investments										
- Investments in equity instrument	5	0.00	-	0.05	-	**0.05**	-	-	0.05	**0.05**
- Investments in Venture funds	5	-	-	13.92	-	**13.92**	-	-	13.92	**13.92**
- Investment in limited liability partnership firm	5	-	-	40.41	5.87	**46.28**	-	-	46.28	**46.28**
- Investment in National saving certificates	5	0.00	-	-	0.00	**0.00**	-	-	0.00	**0.00**
- Investment in Debentures	5	-	-	-	1.86	**1.86**	-	-	1.86	**1.86**
Non- Current Loans	6	-	-	-	975.54	**975.54**	-	-	-	**-**
Other Non-Current Financial Assets										
- Security Deposit	7	-	-	-	73.21	**73.21**	-	-	73.21	**73.21**
- Derivative instruments	7	1.00	10.76	-	-	**11.76**	-	11.76	-	**11.76**
- Fixed Deposit	7	-	-	-	171.33	**171.33**	-	-	-	**-**
- Others	7	-	-	-	9.47	**9.47**	-	-	9.47	**9.47**
Investments in mutual funds*	11	6,849.31	-	-	-	**6,849.31**	6,849.31	-	-	**6,849.31**
Trade receivables	12	-	-	-	3,859.99	**3,859.99**	-	-	-	**-**
Cash and Cash Equivalents	13	-	-	-	82.74	**82.74**	-	-	-	**-**
Other Bank Balances including earmarked balances with banks	14	-	-	-	195.71	**195.71**	-	-	-	**-**
Current Loans	15	-	-	-	213.87	**213.87**	-	-	-	**-**
Other Current Financial Assets										
- Derivative instruments	16	3.35	2.09	-	-	**5.44**	-	5.44	-	**5.44**
- Fixed Deposit	16	-	-	-	2,548.62	**2,548.62**	-	-	-	**-**
- Others	16	-	-	-	331.31	**331.31**	-	-	331.31	**331.31**
Financial liabilities:										
Lease Liability (Non Current)	2.2	-	-	-	86.18	**86.18**	-	-	-	**-**
Other Non-Current Financial Liabilities										
- Security Deposit	20	-	-	-	4.72	**4.72**	-	-	4.72	**4.72**
- Derivative instruments	20	-	-	-	-	**-**	-	-	-	**-**
- Others	20	30.81	-	-	-	**30.81**	-	30.81	-	**30.81**
Lease Liability (Current)	2.2	-	-	-	31.20	**31.20**	-	-	-	**-**
Trade Payables	23	-	-	-	1,883.71	**1,883.71**	-	-	-	**-**
Other Current Financial Liabilities										
- Security Deposit	24	-	-	-	2.65	**2.65**	-	-	2.65	**2.65**
- Deferred consideration	24	0.70	-	-	-	**0.70**	-	-	0.70	**0.70**
- Derivative instruments	24	28.43	0.16	-	-	**28.59**	-	28.59	-	**28.59**
- Others	24	-	-	-	203.17	**203.17**	-	-	203.17	**203.17**

Notes to the Standalone Financial Statements

Note 45: Financial instruments (Contd..)

The carrying value and fair value of financial instruments by categories as on 31st March, 2024, were as follows:

₹ in Crores

Particulars	Note	Carrying value					Fair Value			
		FVTPL	FVOCI							
		Mandatory Designation	Mandatory Designation	Designated upon initial recognition	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial assets:										
Non-Current Investments										
- Investments in equity instrument	5	0.00	-	0.05	-	**0.05**	-	-	0.05	**0.05**
- Investments in Venture funds	5	-	-	6.28	-	**6.28**	-	-	6.28	**6.28**
- Investment in limited liability partnership firm	5	-	-	29.72	6.14	**35.86**	-	-	35.86	**35.86**
- Investment in National saving certificates	5	-	-	-	0.00	**0.00**	-	-	0.00	**0.00**
- Investment in Debentures	5	-	-	-	1.67	**1.67**	-	-	1.67	**1.67**
Non- Current Loans	6	-	-	-	1,379.62	**1,379.62**	-	-	-	**-**
Other Non-Current Financial Assets										
- Security Deposit	7	-	-	-	64.18	**64.18**	-	-	64.18	**64.18**
- Derivative instruments	7	8.20	0.11	-	-	**8.31**	-	8.31	-	**8.31**
- Fixed Deposit	7	-	-	-	410.82	**410.82**	-	-	-	**-**
- Others	7	-	-	-	9.28	**9.28**	-	-	9.28	**9.28**
Investments in mutual funds*	11	4,383.59	-	-	-	**4,383.59**	4,383.59	-	-	**4,383.59**
Trade receivables	12	-	-	-	2,681.75	**2,681.75**	-	-	-	**-**
Cash and Cash Equivalents	13	-	-	-	164.52	**164.52**	-	-	-	**-**
Other Bank Balances including earmarked balances with banks	14	-	-	-	168.68	**168.68**	-	-	-	**-**
Current Loans	15	-	-	-	784.25	**784.25**	-	-	-	**-**
Other Current Financial Assets										
- Derivative instruments	16	13.05	11.30	-	-	**24.35**	-	24.35	-	**24.35**
- Fixed Deposit	16	-	-	-	2,176.75	**2,176.75**	-	-	-	**-**
- Others	16	-	-	-	565.59	**565.59**	-	-	565.59	**565.59**
Financial liabilities:										
Lease Liability (Non Current)	2.2	-	-	-	29.55	**29.55**	-	-	-	**-**
Other Non-Current Financial Liabilities										
- Security Deposit	20	-	-	-	5.08	**5.08**	-	-	5.08	**5.08**
- Derivative instruments	20	-	1.81	-	-	**1.81**	-	1.81	-	**1.81**
Lease Liability (Current)	2.2	-	-	-	16.00	**16.00**	-	-	-	**-**
Trade Payables	23	-	-	-	1,684.64	**1,684.64**	-	-	-	**-**
Other Current Financial Liabilities										
- Security Deposit	24	-	-	-	2.71	**2.71**	-	-	2.71	**2.71**
- Deferred consideration	24	12.00	-	-	-	**12.00**	-	-	12.00	**12.00**
- Others	24	-	-	-	206.45	**206.45**	-	-	206.45	**206.45**

*Mutual funds for which NAVs are published on daily basis are considered as quoted securities.

Notes to the Standalone Financial Statements

Note 45: Financial instruments (Contd..)

(i) There have been no transfer between Level 1 and Level 2 for the years ended 31st March, 2025 and 31st March, 2024.

(ii) Reconciliation of Level 3 fair values

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values

Particulars	Equity Securities	Other investments	Deferred consideration
Balance at 1st April, 2023	**0.05**	**48.53**	**-**
Addition during the year	-	6.28	12.00
Transfer out from Level 3	-	-	-
Net change in fair value (unrealised)	-	(11.00)	-
Foreign exchange gain/loss	-	-	-
Balance at 31st March, 2024	**0.05**	**43.81**	**12.00**
Addition during the year	-	17.83	-
Transfer out from Level 3	-	-	(11.30)
Net change in fair value (unrealised)	-	0.42	-
Foreign exchange gain/(loss)	-	-	-
Balance at 31st March, 2025	**0.05**	**62.06**	**0.70**

(iii) Valuation techniques and significant unobservable inputs:

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values for financial instruments in the consolidated balance sheet as well as the significant unobservable inputs used in measuring Level 3 fair value for financial instruments.

Particulars	Valuation technique	Significant unobservable inputs
Deferred consideration	Discounted cash flow method	Not Applicable
Investment (unquoted) (other than subsidiaries & associates)	Discounted cash flow method	Expected cash flows
Fair value of derivatives	The fair value is determined using quoted forward exchange rates at the reporting date	Not Applicable

B. Financial risk management objectives and policies

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimise potential adverse effects on its financial performance.

The Company's financial liabilities comprise of trade payable and other liabilities to manage its operation and financial assets include trade receivables, security deposits, loans and advances, etc, arises from its operation.

The Company has constituted a Risk Management Committee consisting of a majority of directors and senior managerial personnel. The Company has implemented a robust Business Risk Management framework to identify, evaluate business risks and opportunities. This framework seeks to create transparency, minimise adverse impact on the business objectives and enhance the Company's competitive advantage. The business risk framework defines the risk management approach across the enterprise at various levels including documentation and reporting. The framework has different risk models which help in identifying risks trend, exposure and potential impact analysis at a Company level.

The Audit Committee of the Board periodically reviews the risk management framework.

Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates and prices. The Company's size and operations result in it being exposed to the following market risks that arise from its use of financial instruments:

- currency risk;
- other price risk; and
- interest rate risk

The above risks may affect the Company's income and expenses, or the value of its financial instruments. The Company's exposure to and management of these risks are explained below.

Notes to the Standalone Financial Statements

Note 45: Financial instruments (Contd..)

(a) Currency risk:

The Company operates internationally and a major portion of the business is transacted in multiple currencies and consequently the Company is exposed to foreign exchange risk to the extent that there is mismatch between the currencies in which its sales and services and purchases from overseas suppliers in various foreign currencies. The Company also holds derivative financial instruments such as foreign exchange forward and currency option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The exchange rate between the Indian Rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently, the results of the Company's operations are affected as the Rupee (INR) appreciates/ depreciates against US Dollar (USD), Euro (EUR), Great Britain Pound (GBP), South African Rand (ZAR) and other currencies.

Foreign exchange risk

(i) Foreign exchange derivatives and exposures outstanding at the year end

₹ in Crores

Particulars	Currency	Cross currency	As at 31st March, 2025	As at 31st March, 2024
Forward contracts - Sold	USD	INR	4,790.33	5,119.26
Forward contracts - Sold	ZAR	INR	638.29	1,072.72
Forward contracts -Currency Swap Sold	ZAR	INR	470.75	437.00
Forward contracts - Sold	AUD	INR	104.77	81.44
Foreign exchange currency options contracts - Sold and bought	USD	INR	359.00	508.77
Unhedged foreign exchange exposures:				
Trade and other receivables			767.81	310.95
Cash and cash equivalents			8.56	144.25
Trade and other payables			(541.09)	(596.29)

Note: The Company uses foreign exchange forward and currency options contracts/derivatives for hedging purposes.

(ii) Foreign currency risk from financial instruments as of:

₹ in Crores

Particulars	31st March, 2025					
	USD	EUR	GBP	ZAR	Other Currency	Total
Trade and other receivables	504.81	63.66	60.94	68.98	69.42	**767.81**
Cash and cash equivalents	7.58	0.51	0.29	-	0.18	**8.56**
Trade and other payables	(390.62)	(109.73)	(22.98)	-	(17.76)	**(541.09)**
Net assets/(liabilities)	**121.77**	**(45.56)**	**38.25**	**68.98**	**51.84**	**235.28**

₹ in Crores

Particulars	31st March, 2024					
	USD	EUR	GBP	ZAR	Other Currency	Total
Trade and other receivables	284.74	17.80	1.76	-	6.65	**310.95**
Cash and cash equivalents	81.98	10.60	-	36.91	14.76	**144.25**
Trade and other payables	(349.75)	(132.34)	(53.95)	(7.15)	(53.10)	**(596.29)**
Net assets/(liabilities)	**16.97**	**(103.94)**	**(52.19)**	**29.76**	**(31.69)**	**(141.09)**

Notes to the Standalone Financial Statements

Note 45: Financial instruments (Contd..)

(iii) Sensitivity analysis

For the years ended 31st March, 2025 and 31st March, 2024, 5% strengthening of the Indian rupee (INR) against foreign currencies for the above mentioned financial assets/liabilities would (decrease)/increase the equity and profit or loss by the amounts shown below. A 5% weakening of the Indian rupee (INR) and the respective currencies would lead to an equal but opposite effect. This analysis assumes that all other variables remain constant.

₹ in Crores

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Movement in exchange rate (Strengthening of INR)		
USD - INR	5%	5%
EUR - INR	5%	5%
GBP - INR	5%	5%
ZAR - INR	5%	5%
Other currency	5%	5%
Impact on profit/loss		
USD - INR	6.09	0.85
EUR - INR	2.28	5.20
GBP - INR	1.91	2.61
ZAR - INR	3.45	1.49
Other currency	2.59	1.58

(b) Other Price risk

The Company is mainly exposed to the other price risk due to its investment in mutual funds. The price risk arises due to uncertainties about the future market values of these investments. At 31st March, 2025, the investments in mutual funds amounts to ₹ 6,849.31 crore (31st March, 2024: ₹ 4,383.59 crore). These are exposed to price risk. The Company has laid policies and guidelines which it adheres to in order to minimise price risk arising from investments in mutual funds. A 1% increase/(decrease) in prices would increase/(decrease) the equity and profit or loss by the amounts shown below.

The Company is not an active investor in equity markets; it holds certain investments in equity for long term value accretion which are accordingly measured at fair value through Other Comprehensive Income. The value of investments in such equity instruments as at 31st March, 2025 is ₹ 54.38 Crores (31st March, 2024: ₹ 36.05 Crores). Accordingly, fair value fluctuations arising from market volatility is recognised in Other Comprehensive Income.

Sensitivity Analysis of 1% change in price.

₹ in Crores

Particulars	As at 31st March, 2025	As at 31st March, 2024
Impact on profit/loss	68.49	43.84
Increase by 1%	(68.49)	(43.84)
Decrease by 1%		

Note 45: Financial instruments (Contd..)

₹ in Crores

Particulars	As at 31st March, 2025	As at 31st March, 2024
Impact on other comprehensive income/loss		
Increase by 1%	5.43	3.60
Decrease by 1%	(5.43)	(3.60)

(c) Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing financial assets or borrowings because of fluctuations in the interest rates if such assets/borrowings are measured at fair value through profit or loss. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing borrowings will fluctuate because of fluctuations in the interest rates.

The Company does not have any borrowings and therefore not exposed to interest rate risk. Considering the short-term nature, there is no significant interest rate risk pertaining to short-term deposits.

The Company also invests in debt mutual fund schemes of leading fund houses. Such investments are susceptible to market price risks that arise mainly from changes in interest rate which may impact the return and value of such investments. However, given the relatively short tenure of underlying portfolio of the debt mutual fund schemes in which the Company has invested, such price risk is not significant.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities. The Company establishes an allowance for credit losses and impairment that represents its estimate of expected losses in respect of trade and other receivables, cash and cash equivalents and investments.

The carrying value of financial assets represents the maximum credit risk. The maximum exposure to credit risk was ₹ 16,089.78 Crores and ₹ 14,923.76 Crores, as at 31st March, 2025 and 31st March, 2024 respectively, being the total carrying value of trade receivables, balances with bank, bank deposits, derivative assets and other financial assets.

Trade and other Receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

Notes to the Standalone Financial Statements

Note 45: Financial instruments (Contd..)

Cash and cash equivalents and investments:

Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. The Company limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating.

The Company does not expect any losses from non-performance by these counterparties, and does not have any significant concentration of exposures to specific industry sectors or specific country risks.

Details of financial assets – not due, past due and impaired

None of the Company's cash equivalents, including term deposits (i.e., certificates of deposit) with banks, were past due or impaired as at 31st March, 2025 (as at 31st March, 2024: nil).

Note 45: Financial instruments (Contd..)

For ageing analysis of the receivable (gross of provision) - refer note 12.

Expected credit loss:

In accordance with Ind AS 109- Financial Instruments, the Company uses the expected credit loss ("ECL") model for measurement and recognition of impairment loss on its trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115- Revenue from contracts with customers. For this purpose, the Company uses a provision matrix to compute the expected credit loss amount for trade receivables. The provision matrix takes into account external and internal credit risk factors and historical data of credit losses from various customers. The default in collection as a percentage to total receivable is low and overall expected credit loss is not material to these financial statements.

The details of changes in allowance for credit losses during the year ended 31st March, 2025 and 31st March, 2024 for trade receivables are as follows:

₹ in Crores

Particulars	Other Receivable		Trade Receivable	
	For the year ended 31st March, 2025	For the year ended 31st March, 2024	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Opening balance	**3.22**	**4.13**	**105.56**	**101.24**
Provided during the year	0.61	2.76	20.21	29.57
Reversal of provision during the year	-	-	(22.10)	(20.35)
Written off/back during the year	(2.37)	(3.67)	(33.42)	(5.74)
Effect of changes in the foreign exchange rates	-	-	(6.53)	0.84
	1.46	**3.22**	**63.72**	**105.56**

Liquidity risk

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions. The Company maintained a cautious liquidity strategy, with a positive cash balance throughout the year ended 31st March, 2025 and 31st March, 2024. Cash flow from operating activities provides the funds to service the financial liabilities on a day-to-day basis. The Company regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short-term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in interest bearing term deposits and other highly marketable debt investments with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

The table below provides details regarding the contractual maturities of significant financial liabilities on undiscounted basis as of 31st March, 2025:

₹ in Crores

Particulars	Less than 1 year	1-5 years	Above 5 years	Total
Non derivative:				
Trade payables	1,883.71	-	-	**1,883.71**
Other financial liabilities	206.52	4.72	-	**211.24**
Lease liabilities	32.40	95.43	20.69	**148.52**
Derivative:				
Derivative designated as hedge	0.16	-	-	**0.16**
Derivative not designated as hedge	28.43	30.81	-	**59.24**
	2,151.22	**130.96**	**20.69**	**2,302.87**

Notes to the Standalone Financial Statements

Note 45: Financial instruments (Contd..)

The table below provides details regarding the contractual maturities of significant financial liabilities on undiscounted basis as of 31st March, 2024:

₹ in Crores

Particulars	Less than 1 year	1-5 years	Above 5 years	Total
Non derivative:				
Trade payables	1,684.64	-	-	**1,684.64**
Other financial liabilities	221.16	5.08	-	**226.24**
Lease liabilities	16.85	34.26	7.56	**58.67**
Derivative:				
Derivative designated as hedge	-	1.81	-	**1.81**
Derivative not designated as hedge	-	-	-	**-**
	1,922.65	**41.15**	**7.56**	**1,971.36**

(d) Impact of hedging activities

The Company uses foreign exchange forward and currency option contracts to hedge against the foreign currency risk of highly probable USD, AUD, EUR and ZAR sales. Such derivative financial instruments are governed by the Company's policies approved by the Board of Directors, which provide written principles on the use of such instruments consistent with the Company's risk management strategy. As the value of the derivative instrument generally changes in response to the value of the hedged item, the economic relationship is established.

a) Disclosure of effects of hedge accounting in the Company's balance sheet

₹ in Crores

Type of hedge and risks	Carrying amount			Maturity date	Hedge ratio*	Weighted average strike price/rate
	Nominal amount	Assets	Liabilities			
31st March, 2025						
Cash flow hedge						
Foreign exchange risk						
i) Foreign exchange forward contracts (refer note 7, 16 & 24)	3,960.31	-	17.91	April 2025-September 2026	1:1	AUD 1 = ₹ 56.77 USD 1 = ₹ 86.55 ZAR 1 = ₹ 4.51
ii) Foreign exchange currency options contracts - sold (refer note 7 & 24)	359.00	-	3.17	May 2025-July 2026	1:1	USD 1 = ₹ 87.92
iii) Foreign exchange currency options contracts - bought (refer note 7 & 24)	359.00	5.33	-	May 2025-July 2026	1:1	USD 1 = ₹ 86.72
Fair value hedge						
Foreign exchange risk						
i) Foreign exchange forward contracts (refer note 7 & 16)	1,573.09	4.35	-	April 2025-March 2028	1:1	USD 1= ₹ 87.67 ZAR 1= ₹ 4.35 AUD 1= ₹ 54.96
ii) Foreign exchange currency Swap contracts (refer note 20)	470.75		30.81	March 2029-October 2029	1:1	ZAR 1= ₹ 4.43

₹ in Crores

Type of hedge and risks	Carrying amount			Maturity date	Hedge ratio*	Weighted average strike price/rate
	Nominal amount	Assets	Liabilities			
31st March, 2024						
Cash flow hedge						
Foreign exchange risk						
i) Foreign exchange forward contracts (refer note 16 & 20)	3,723.38	21.56	-	April 2024-September 2025	1:1	AUD 1 = ₹ 57.03 USD 1 = ₹ 84.57 ZAR 1 = ₹ 4.45
ii) Foreign exchange currency options contracts - sold (refer note 16 & 20)	508.77	-	3.65	April 2024-July 2025	1:1	USD 1 = ₹ 85.34
iii) Foreign exchange currency options contracts - bought (refer note 16 & 20)	508.77	4.33	-	April 2024-July 2025	1:1	USD 1 = ₹ 83.94

Notes to the Standalone Financial Statements

Note 45: Financial instruments (Contd..)

₹ in Crores

Type of hedge and risks	Carrying amount			Maturity date	Hedge ratio*	Weighted average strike price/rate
	Nominal amount	Assets	Liabilities			
Fair value hedge						
Foreign exchange risk						
i) Foreign exchange forward contracts (refer note 7 & 16)	2,550.04	6.22	-	April 2024- March 2028	1:1	USD 1= ₹ 83.93 ZAR 1= ₹ 4.23
ii) Foreign exchange currency Swap contracts (refer note 7 & 16)	437.00	2.39	-	March 2029- October 2029	1:1	ZAR 1= ₹ 4.43

*The foreign currency forward and currency options contracts are denominated in the same currency as the highly probable future sales, therefore hedge ratio of 1:1.

b) Disclosure of effects of hedge accounting in the Company's profit or loss and other comprehensive income

₹ in Crores

Type of hedge	Change in the value of the hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss (recognised as component of revenue)	Amount recognised in profit or loss
31st March, 2025				
Foreign exchange risk				
(i) Cash flow hedge	(46.53)	-	50.00	-

₹ in Crores

Type of hedge	Change in the value of the hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss (recognised as component of revenue)	Amount recognised in profit or loss
31st March, 2024				
Foreign exchange risk				
(i) Cash flow hedge	38.92	-	(36.12)	-

Hedge effectiveness is determined at the inception of hedge relationship, and through periodic prospective effectiveness assessment to ensure that an economic relationship exists between the hedged item and hedging instruments. It is calculated by comparing changes in fair value of the hedged item, with the changes in fair value of the hedging instrument.

If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for in profit or loss at the time of the hedge relationship rebalancing.

₹ in Crores

Cash flow hedging reserve	As at 31st March, 2025	As at 31st March, 2024
Opening balance	**7.18**	**5.09**
Add: Changes in fair value	(46.53)	38.92
Less: Amount reclassified to profit or loss	50.00	(36.12)
Less: Deferred tax relating to above	(0.87)	(0.71)
Closing balance	**9.78**	**7.18**

Note 46: Corporate social responsibility (CSR) expenditure

The Company meets the criteria specified under Section 135 of the Companies Act, 2013 and has formed a Corporate Social Responsibility (CSR) Committee to monitor the CSR activities implemented as per the CSR Policy of the Company. The Company spends in each financial year at least 2% of its average net profit for the immediately preceding three financial years as per provisions of Section 135 of the Act and in compliance of its CSR policy. The funds allocated are utilized through the year on the activities which are specified in Schedule VII of the Act. Key focus areas for CSR activities include Health, Education, Skilling, Environmental Sustainability, Disaster Response, Rural development projects, Research and Development and any other activity permissible under Schedule VII of the Act.

₹ in Crores

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
A) Amount required to be spent by the company during the year#	80.06	69.61
B) Amount of expenditure incurred on construction/acquisition of assets	5.53	8.40

Notes to the Standalone Financial Statements

Note 46: Corporate social responsibility (CSR) expenditure (Contd..)

₹ in Crores

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
C) Amount of expenditure incurred/ unspent amount deposited to separate bank account on purposes other than (B) above#&**	74.54	61.11
D) Shortfall at the end of the year	-	-
E) Details of related party transactions*	67.48	58.21
F) Balance carried forward:		
Opening balance	0.68	0.78
Addition during the year**	80.07	69.51
Utilised during the year (including excess provided of previous year)	(80.06)	(69.61)
Closing balance	**0.69**	**0.68**

*This includes contribution to Cipla Foundation, which is a trust, with focus on Health, Education, Skilling, Environmental Sustainability etc.

#includes the surplus of ₹ 0.49 Crores (31st March, 2024: ₹ 0.27 Crores) arising out of the CSR Projects.

The Company will be setting off the excess spent of ₹ 0.69 Crores (2023-24: ₹ 0.68 Crores) during the year 2024-25 against the next year's CSR obligation.

**Addition during the year includes CSR amount of ₹ 4.75 Crores towards an ongoing project which has been deposited in a special account designated as "Unspent Corporate Social Responsibility" Account. There is an ongoing project as at 31st March, 2025 while there were no ongoing project as at 31st March, 2024.

Note 47: Capital management

A. Risk Management

The Company's objectives when managing capital are to safeguard their ability to continue as a going concern so that they can continue to provide returns for shareholders and benefits for other stakeholders, and maintain an optimal structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amounts of dividends paid to shareholders, return capital to shareholders, issue new shares or sell new assets to reduce debt. Consistent with others in Industry, the Company monitors capital on the basis of the following gearing ratio: (net debt divided by total 'equity')

Net debt = Total borrowings (including lease liabilities) less [Cash and cash equivalents + Bank balance other than cash and cash equivalents (excluding balance earmarked for unclaimed dividend) + Current investments + Fixed deposits]

Total 'equity' is as shown in the balance sheet.

₹ in Crores

Particulars	As at 31st March, 2025	As at 31st March, 2024
Total debt	117.38	45.55
Less: Cash and cash equivalents (including current investments and bank deposits)	9,836.11	7,297.16
Net debt (A)	(9,718.73)	(7,251.61)
Total equity (B)	32,099.24	27,973.92
Net debt to equity ratio (A/B)	**(0.30)**	**(0.26)**

Note 47: Capital management (Contd..)

B. Dividend on equity share

₹ in Crores

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
(a) Dividend on equity shares paid during the year		
Final dividend for the year [FY 2023-24 : ₹ 13 per equity share of ₹ 2.00 each] [FY 2022-23 : ₹ 8.50 per equity share of ₹ 2.00 each]"	1,049.83	686.17
Total	**1,049.83**	**686.17**
(b) Proposed dividend on equity share not recognised as liability	**1,292.19**	**1,049.58**

The Board of Directors of the Company at its meeting held on 13th May, 2025 has recommended a final dividend of ₹ 13.00 per equity share and a special dividend of ₹ 3.00 per equity share on the occasion of completing 90 years of the Company, taking the total dividend to ₹ 16.00 per equity share (face value of ₹ 2.00 each) which is subject to approval at the ensuing Annual General Meeting of the Company and hence is not recognised as a liability.

Note 48: Earnings Per Share (EPS)

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit attributable to equity shareholders and the weighted average number of shares outstanding are adjusted for the effect of all dilutive potential equity shares which includes all stock options granted to employees. The number of equity shares is the aggregate of the weighted average number of equity shares and the weighted average number of equity shares which are to be issued in the conversion of all dilutive potential equity shares into equity shares.

Dilutive potential equity shares are deemed to have been converted at the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

Disclosure as required by Indian Accounting Standard (Ind AS) 33 - Earnings per share:

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Basic Earnings per share		
Profit for the year from continuing operations (₹ in Crores)	5,157.65	3,714.19

Notes to the Standalone Financial Statements

Note 48: Earnings Per Share (EPS) (Contd..)

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Profit for the year from discontinuing/ restructuring operations (₹ in Crores)	-	363.06
Profit for the year (₹ in Crore)	**5,157.65**	**4,077.25**
Basic weighted average number of equity shares outstanding	80,75,52,253	80,72,91,686
Basic earnings per share of par value ₹ 2/- per share		
from continuing operations	₹ 63.87	₹ 46.01
from discontinuing/restructuring operations	-	₹ 4.50
Total basic earnings per share	**₹ 63.87**	**₹ 50.51**

Note 48: Earnings Per Share (EPS) (Contd..)

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Dilutive Earnings per share		
Basic weighted average number of equity shares outstanding	80,75,52,253	80,72,91,686
Add- Dilutive impact of employee stock options	6,42,705	7,07,295
Diluted weighted average number of equity shares outstanding	80,81,94,958	80,79,98,981
Diluted earnings per share of par value ₹ 2/- per share		
from continuing operations	₹ 63.82	₹ 45.97
from discontinuing/restructuring operations	-	₹ 4.49
Total diluted earnings per share	**₹ 63.82**	**₹ 50.46**

Note 49: Information about Subsidiaries and Associates

₹ in Crores

Name of company	Country of Incorporation	Proportion (%) of equity interest	
		As at 31st March, 2025	As at 31st March, 2024
I. Investments in Subsidiaries			
Goldencross Pharma Limited[1]	India	100%	100%
Cipla Pharmaceuticals Limited[1]	India	100%	100%
Meditab Specialities Limited[1]	India	100%	100%
Cipla (EU) Limited[1]	United Kingdom	100%	100%
Cipla Medpro South Africa (Pty) Limited[1]	South Africa	100%	100%
Cipla Holding B.V.[1]	Netherlands	100%	100%
Cipla Pharma and Life Sciences Limited[1]	India	100%	100%
Saba Investment Limited*	UAE	-	-
Jay Precision Pharmaceuticals Private Limited[1]	India	60%	60%
Cipla Health Limited[1]	India	100%	100%
Cipla Digital Health Limited[1]	India	100%	100%
Cipla USA Inc[1]	USA	0.00%	0.00%
II. Investments in associate			
GoApptiv Private Limited[1]	India	22.99%	22.99%
Achira Labs Private Limited[1]	India	21.05%	21.05%
AMPSolar Power Systems Private Limited[2]	India	26.00%	26.00%
AMP Energy Green Eleven Private Limited[2]	India	32.49%	32.49%
Clean Max Auriga Power LLP[2]	India	33.00%	33.00%

*Ceased to be subsidiaries w.e.f. 29th September, 2023

1. The principle business activities of the entities is pharmaceutical business.

2. The principle business activities of the entities is renewable power generation

Note 50: Reclassification note

The figures for the corresponding previous year have been regrouped/reclassified wherever necessary to make them comparable. The impact of such reclassification/regrouping is not material to the standalone financial statements.

Notes to the Standalone Financial Statements

Note 51: Subsequent events

There are no other subsequent events that occurred after the reporting date.

Note 52: Unforeseeable losses

The Company has a process whereby periodically all long-term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Company did not have any long-term contracts (including derivative contracts) for which there were any material foreseeable losses.

Note 53: Impact of Code on Social Security, 2020

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

Note 54: Authorisation of financial statements

The standalone financial statements for the year ended 31st March, 2025 were approved by the Board of Directors on **13th May, 2025**.

As per our report of even date attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Reg. No. 001076N/N500013

Adi P. Sethna
Partner
Membership No. 108840

Mumbai, 13th May, 2025

For and on behalf of the **Board of Directors**

Umang Vohra
Managing Director and
Global Chief Executive Officer
DIN: 02296740

Kamil Hamied
Non-Executive Director
DIN: 00024292

Ashish Adukia
Global Chief Financial Officer

Rajendra Chopra
Company Secretary

Mumbai, 13th May, 2025

Independent Auditor's Report

To the Members of Cipla Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Cipla Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group') and its associates, as listed in Annexure I, which comprise the Consolidated Balance Sheet as at 31 March 2025, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries and associates, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India of the consolidated state of affairs of the Group and its associates, as at 31 March 2025, and their consolidated profit (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, its associates in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained together with the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 15 of the Other Matter section below, is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

4. Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries and associates, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5. We have determined the matter described below to be the Key Audit Matter to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
DPCO matters (Refer note 11, 18 and 45B to the Consolidated Financial Statements) The Holding Company and its certain Indian subsidiaries had received several demand notices/ communications from the National Pharmaceutical Pricing Authority ("NPPA") commencing from the year 1998 seeking recovery of alleged overcharging regarding scheduled drugs under the Drugs (Prices Control) Orders-1995 ("DPCO"). Based on Hon'ble Supreme Court ("SC") judgement, during the financial year ended 31 March 2003, the Holding Company deposited ₹ 175.08 Crores with NPPA under protest, representing 50% of the alleged overcharged amounts in respect of demand notices raised by NPPA till 2003 and got the stay on the Hon'ble Bombay High Court order for recovery of overcharged amount.	Our audit of DPCO matters included, but was not limited to, the following procedures: a) Obtained an understanding of the management's process for updating the status of the matters and assessed the appropriateness of the Group's accounting policies related to provisions and contingent liabilities in accordance with Ind AS 37; b) Evaluated the design and tested the operating effectiveness of key controls around above process; c) Inspected correspondence with the Holding Company's external legal counsel in order to corroborate our understanding of these matters, accompanied by discussions with both internal and external legal counsels. Tested the objectivity and competence of such management experts involved;

Key audit matter	How our audit addressed the key audit matter
Post 2003, the Holding Company and its certain Indian subsidiaries continued to receive demands ("Subsequent demands") alleging overcharging which included several duplicate notices/ communications. The Holding Company has reviewed all the notices/ communications received which are attributable to the Holding Company and its certain Indian subsidiaries and are under litigation. After removing duplications, the amount covered by the notices/communications aggregates to ₹ 2,011 Crores with the principal of ₹ 863 Crores and interest of ₹ 1,148 Crores, wherein based on facts and legal advice, the Group has carried a total provision of ₹ 156.37 crores (including interest) as at 31 March 2025. The amounts involved are material and the application of accounting principles as given under Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets ('Ind AS 37'), in order to determine the amounts to be recognised as liability or to be disclosed as a contingent liability or not, is inherently subjective and needs careful evaluation and significant judgement to be applied by the management. Considering the materiality and the inherent subjectivity which involves significant management judgment in predicting the outcome of the matter, DPCO matters have been considered to be a key audit matter for the current period audit.	d) Obtained direct confirmation from the external legal counsel handling DPCO matters with respect to the legal determination of the liability arising from such matters, conclusion of the matters in accordance with the requirements of Ind AS 37 and disclosures to be made in the financial statements. Evaluated the response received from the external legal counsel to ensure that the conclusions reached are supported by sufficient legal rationale; e) Assessed the appropriateness of methods used, and the reliability of underlying data for the calculations made for quantifying the amounts involved. Tested the arithmetical accuracy of such calculations; and f) Evaluated the appropriateness and adequacy of disclosures given in the consolidated financial statements, including disclosure of the significant litigations of the Group, in accordance with applicable accounting standards. Based on the audit procedures performed, the judgements made by the management were reasonable and disclosures made in respect of these matters were appropriate in the context of the Consolidated financial statements taken as a whole.
Impairment of goodwill, intangible assets and intangible assets under development: (Refer note 4 and 5 to the Consolidated Financial Statements) As at 31 March 2025, the Group has goodwill balance of ₹ 3,270.27 crore relating to multiple Cash Generating Units ('CGUs'). Further, the Group is carrying product-related capitalised intangibles and intangibles under development aggregating to ₹ 1,362.61 crore and ₹ 353.51 crore, respectively. These balances are subject to a test of impairment by the management in accordance with Ind AS 36 "Impairment of Assets" ('Ind AS 36'). The Group has recorded an impairment charge on intangible assets and intangible assets under development of ₹ 93.57 crore during the year ended 31 March 2025. The carrying values of goodwill, intangible assets and intangible assets under development will be recovered through future cash flows and there is a risk that the assets will be impaired if these cash flows do not meet the Group's expectations. In addition to significance of the amounts, management's impairment assessment process is complex as it involves significant judgement in determining the assumptions to be used to estimate the recoverable amounts such as forecasting cash flows for each of the CGUs, intangible assets and those under development, principally relating to budgeted revenue, operating margins, short-term and long-term growth rates and the discount rates used. Considering the materiality of amounts involved together with the inherent subjectivity related to principal assumptions, which are dependent on current and future economic factors and trading conditions varying for different economic and geographical territories, impairment assessment of carrying	Our audit included, but was not limited to, the following procedures: a) Obtained an understanding of the management's process for identification of impairment indicators for goodwill, intangibles and intangibles under development and process for identification of CGUs and impairment testing of such assets, and assessed the appropriateness of the Group's accounting policy for impairment of non-financial assets in accordance with Ind AS 36; b) Evaluated the design and tested the operating effectiveness of key controls over such identification and impairment measurement of identified assets; c) Evaluated management's identification of CGUs; d) Obtained the impairment assessment workings prepared by the management and its experts; e) Involved auditor's experts to assess the appropriateness of the valuation methodologies and the reasonableness of the assumptions used by the management's expert to determine the recoverable amounts; f) Reconciled the cash flows to the business plans approved by the Board of Directors of the companies which constitute identified CGUs; g) Evaluated and challenged management's assumptions such as implied growth rates during explicit periods, terminal growth rates and discount rates for their appropriateness based on our understanding of the business of the respective CGUs, past results and external factors such as industry trends and forecasts; h) Obtained and evaluated sensitivity analysis performed by the management on key assumptions of implied growth rates during explicit periods, terminal growth rates and discount rates;

Key audit matter	How our audit addressed the key audit matter
values of goodwill, intangibles and intangible assets under development is considered to be complex and determined to be a key audit matter for the current period audit.	i) Tested the mathematical accuracy of the management computations; j) Performed independent sensitivity analysis of aforesaid key assumptions to assess the effect of reasonably possible variations on the estimated recoverable amounts for respective CGUs to evaluate sufficiency of headroom between recoverable values and carrying amounts; and k) Evaluated the appropriateness and adequacy of disclosures given in the consolidated financial statements with respect to goodwill, intangibles and intangible assets under development, including disclosure of significant assumptions, judgements and sensitivity analysis performed, in accordance with applicable accounting standards. Based on the audit procedures performed, we determined that the management's assessment that the carrying values of goodwill, intangible assets and intangible assets under development is appropriate in the context of the consolidated financial statements taken as a whole.
Revenue from operations: (refer note 1.3.9 and 30 to the consolidated financial statements) The Group recognises revenue from sales of pharmaceutical products, when control of the product is transferred. The Group records product sales net of estimated incentives / discounts, right to returns, chargeback, rebates and other price adjustments. The actual point in time when revenue is recognised varies depending on the specific terms and conditions of the sales contracts entered with customers. Further, the Group has a large number of customers operating in various geographies and sales contracts with customers have different terms relating to the revenue recognition (especially in United States of America ('US') contracts have different terms relating to the recognition of revenue leading to material deduction from gross sales which includes chargebacks, rebates, discounts, right to return and other price adjustments (failure to supply, Medicaid reimbursements, shelf stock adjustments, etc.) in accordance with principles of Ind AS 115, "Revenue from Contracts with Customers" ('Ind AS 115'). We identified the recognition of revenue from operations as a key audit matter because: a) Accrual towards chargebacks, rebates, discounts, right to return and other price adjustments is complex and requires significant judgments and estimates in relation to contractual agreements/commercial terms across various geographies. Any change in these estimates can have a significant financial impact. These estimates are particularly complex in USA Business which involves multi-layered product discounting due to competitive pricing pressure; b) The Group considers revenue as key benchmark for evaluating performances and hence, there is risk of revenue being overstated due to pressure to achieve targets, earning expectations or incentive schemes linked to performance for a reporting period.	Our audit included, but was not limited to, the following procedures: a) Obtained an understanding of the management's process for revenue recognition, judgments in estimation and accounting treatment of chargeback, rebates, right to return and other price adjustments (failure to supply, Medicaid, shelf stock adjustments, etc.); b) Evaluated the design and tested the operating effectiveness of the key controls, including general IT controls, key IT application controls implemented by the management, over recognition of revenue and measurement of chargeback, rebates, right to return and other price adjustments (failure to supply, Medicaid, shelf stock adjustments, etc.); c) Performed substantive testing by selecting samples of revenue transactions pertaining to sale of products during the year and verified the underlying supporting documents including contracts, agreements, sales invoices and dispatch/shipping documents; d) Performed substantive testing by selecting samples of revenue transactions pertaining to sale of products during specific periods before and after year end to ensure that the correct amount of revenue is recorded in the correct period; e) Obtained management workings for amounts recognised towards chargeback, rebates, right to return and other price adjustments (failure to supply, Medicaid, shelf stock adjustments, etc.). On a sample basis, tested the underlying calculations for amounts recorded as accruals and provisions towards the aforementioned obligations as per the terms of related schemes, contracts and regulations, and traced the underlying data to source documents; f) Evaluated historical accuracy of the Group's estimates of year-end accruals pertaining to aforesaid arrangements made in the previous years to identify any management bias;

Key audit matter	How our audit addressed the key audit matter
	g) Tested the manual sales-related adjustments made to revenue comprising of variable consideration under Ind AS 115 to ensure the appropriateness of revenue recognition during the year; and h) Evaluated the appropriateness and adequacy of disclosures given in the consolidated financial statements in accordance with applicable accounting standards. Based on audit procedures performed, we determined that the revenue recognition and measurement is appropriate in the context of the consolidated financial statements taken as a whole.

Information other than the Consolidated Financial Statements and Auditor's Report thereon

6. The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon.

   Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

   In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

7. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its associates in accordance with the Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India. The Holding Company's Board of Directors are also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. Further, in terms of the provisions of the Act the respective Board of Directors of the companies included in the Group, and its associate companies covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

8. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of the Group and of its associates to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

9. Those respective Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group and of its associates.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

11. As part of an audit in accordance with Standards on Auditing specified under section 143(10) of the Act we exercise

professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and joint ventures to cease to continue as a going concern;

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and

- Obtain sufficient appropriate audit evidence regarding the financial information/ financial statements of the entities or business activities within the Group, and its associates, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the consolidated financial statements, of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

15. We did not audit the financial statements of 30 subsidiaries, whose financial statements (prior to consolidation adjustments) reflect total assets of ₹ 11,770.79 crores as at 31 March 2025, total revenues of ₹ 4,271.35 crores and net cash inflows amounting to ₹ 55.46 crores for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss (including other comprehensive income) of ₹ (2.79) crores for the year ended 31 March 2025 in respect of 2 associates, whose financial statements has not been audited by us. These financial statements have been audited by other auditors whose report has been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and associates, and our report in terms of sub-section (3) of section 143 of the Act in so far as it relates to the aforesaid subsidiaries, and associates, are based solely on the reports of the other auditors.

    Further, of these subsidiaries and associates, 27 subsidiaries and an associate are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries and an associate located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of such subsidiaries and associates located outside India, is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

16. The consolidated financial statements also include the Group's share of net loss (including other comprehensive income after tax) of ₹ (19.07) crores for the year ended 31 March 2025, as considered in the consolidated financial statements, in respect of 5 associates, whose financial statements has not been audited by us. These financial statements are unaudited and have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the aforesaid associates, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the management, these financial information are not material to the Group.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matter with respect to our reliance on the financial information certified by the management.

Report on Other Legal and Regulatory Requirements

17. As required by section 197(16) of the Act, based on our audit and on the consideration of the reports of the other auditor, referred to in paragraph 15, on separate financial statements of the subsidiaries and associates, we report that the Holding Company and 5 subsidiaries incorporated in India whose financial statements have been audited under the Act have paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. Further, we report that 5 subsidiaries incorporated in India whose financial statements have been audited under the Act have not paid or provided for any managerial remuneration during the year. Also, we report that provisions of Section 197 read with Schedule V of the Act are not applicable to 8 associate companies covered under the Act, since none of such companies are public companies as defined under Section 2(71) of the Act.

18. As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act based on the consideration of the Order reports issued by us and by the respective other auditors as mentioned in paragraph 15 above, of companies included in the consolidated financial statements and covered under the Act we report that there are no qualifications or adverse remarks reported in the respective Order reports of such companies.

19. As required by section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditors on separate financial statements and other financial information of the subsidiaries and associates incorporated in India whose financial statements have been audited under the Act, we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and reports of the other auditors, including the manner prescribed in Rule 3(1) of Companies (Accounts) Rules, 2014, except that the audit trail feature was not enabled at the database level until 7 June 2024 as further stated in paragraph 19(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended) in case of Holding Company and it's 8 subsidiaries.

c) The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

d) In our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015;

e) On the basis of the written representations received from the directors of the Holding Company, its subsidiaries and an associate and taken on record by the Board of Directors of the Holding Company, its subsidiaries and an associate, and the reports of the statutory auditors of its subsidiaries and an associate covered under the Act, none of the directors of the Holding Company, its subsidiaries and an associate, are disqualified as on 31 March 2025 from being appointed as a director in terms of section 164(2) of the Act.

f) With respect to the maintenance of accounts and other matters connected therewith refer to our comments in paragraph 19(b) above on reporting under Section 143(3)(b) of the Act and paragraph 19(h)(vi) below on reporting under rule 11(g) of the of the Companies (Audit and Auditors) Rules, 2014 (as amended).

g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, and its subsidiaries and an associate covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure II' wherein we have expressed an unmodified opinion; and

h) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements and other financial information of the subsidiaries and associates incorporated in India whose financial statements have been audited under the Act:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associates as detailed in note 45 to the consolidated financial statements;

ii. As detailed in note 54 to the consolidated financial statements, the Holding Company, its subsidiaries and associate companies did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2025.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company during the year ended 31 March 2025. Further, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the subsidiaries and an associate companies covered under the Act, during the year ended 31 March 2025;

iv. a. The respective managements of the Holding Company and its subsidiaries and associates incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries and associates respectively that, to the best of their knowledge and belief as disclosed in note 55(j) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Holding Company or its subsidiaries and associates to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, or any such subsidiaries and associates ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

b. The respective managements of the Holding Company and its subsidiaries and associates incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries and associates respectively that, to the best of their knowledge and belief, as disclosed in the note 55(f) to the accompanying consolidated financial statements, no funds have been received by the Holding Company or its subsidiaries and associates from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company, or any such subsidiaries and associates shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c. Based on such audit procedures performed by us and that performed by the auditors of the subsidiaries and associates, as considered reasonable and appropriate in the circumstances, nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

v. a. The interim dividend declared and paid by the subsidiaries during the year ended 31 March 2025 and until the date of this audit report is in compliance with section 123 of the Act;

b. The final dividend paid by the Holding Company during the year ended 31 March 2025 in respect of such dividend declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend; and

c. As stated in note 43(C)(b) to the accompanying consolidated financial statements, the Board of Directors of the Holding Company have proposed final dividend for the year ended 31 March 2025 which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

vi. Based on our examination which included test checks performed by us on the Holding Company, its subsidiaries and by the respective auditors of the other subsidiaries of the Holding Company which are companies incorporated in India and audited under the Act, the Holding Company, its subsidiaries, in respect of financial year commencing on 1 April 2024 have used accounting software for maintaining their books of account which have a feature of recording audit trail (edit log) facility at the application level of the accounting software and the same have been operated throughout the year for all relevant transactions recorded in the software. The audit trail feature (edit log) at the database level for the direct changes was enabled at the Holding Company and its eight subsidiaries from 7 June 2024 with an access management tool. Further, during the course of our audit we and respective auditors of the above referred subsidiaries did not come across any instance of such audit trail features being tampered with where such feature was enabled. Furthermore, the audit trail has been preserved by the Holding Company and its eight subsidiaries as per the statutory requirements for record retention at application level since commencement of audit trail requirement from 1 April 2023 and at the database level from 7 June 2024 onwards as applicable for seven subsidiaries. For one subsidiary, the audit trail has been preserved from the migration date of 1 March 2024 at the application level and at the database level from 7 June 2024 onwards.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Adi P. Sethna
Partner
Membership No.: 108840
UDIN: 25108840BMNTWT2912

Place: Mumbai
Date: 13th May, 2025

Annexure I

List of entities included in the Statement

List of subsidiaries:

1. Goldencross Pharma Limited, India
2. Meditab Specialities Limited, India
3. Cipla Pharma and Life Sciences Limited, India
4. Jay Precision Pharmaceuticals Private Limited, India
5. Cipla Health Limited, India
6. Medispray Laboratories Private Limited, India
7. Sitec Labs Limited, India
8. Cipla Pharmaceuticals Limited, India
9. Cipla Health Employees Stock Option Trust, India
10. Cipla Digital Health Limited, India
11. Cipla Medpro South Africa (Pty) Limited, South Africa
12. Cipla Dibcare (Pty) Limited, South Africa (Dissolved w.e.f. 26 June 2024)
13. Cipla Medpro Manufacturing (Pty) Limited, South Africa
14. Cipla-Medpro (Pty) Limited, South Africa
15. Cipla-Medpro Distribution Centre (Pty) Limited, South Africa
16. Cipla Medpro Botswana (Pty) Limited, Botswana
17. Cipla Kenya Limited, Kenya
18. Cipla Select (Pty) Limited, South Africa
19. Medpro Pharmaceutica (Pty) Limited, South Africa
20. Mirren (Pty) Limited, South Africa
21. The Cipla Empowerment Trust, South Africa
22. Actor Pharma (Pty) Limited, South Africa (w.e.f. 7 February 2024)
23. InvaGen Pharmaceuticals Inc., United States of America
24. Exelan Pharmaceuticals Inc., United States of America
25. Cipla USA Inc., United States of America
26. Cipla Therapeutics Inc., United States of America
27. Aspergen Inc., United States of America
28. Cipla Employee Stock Option Trust, India (Deregistered)
29. Madison Pharmaceuticals Inc., United States of America (Dissolved w.e.f. 28 April 2023)
30. Cipla Medica Pharmaceutical and Chemical Industries Limited, Yemen (ceased to be a subsidiary w.e.f. 29 September 2023)
31. Cipla Middle East Pharmaceuticals FZ-LLC, United Arab Emirates (ceased to be a subsidiary w.e.f. 29 September 2023)
32. Saba Investment Limited, United Arab Emirates (ceased to be a subsidiary w.e.f. 29 September 2023)
33. Cipla Quality Chemical Industries Limited, Uganda (ceased to be a subsidiary w.e.f.14 November 2023)
34. Cipla Philippines Inc., Philippines (Dissolved with effect from 31 March 2024)
35. Cipla Holding B.V., Netherlands
36. Cipla (EU) Limited, United Kingdom
37. Cipla Australia Pty Limited, Australia
38. Meditab Holdings Limited, Mauritius
39. Cipla Malaysia Sdn. Bhd., Malaysia
40. Cipla Europe NV, Belgium
41. Cipla Brasil Importadora E Distribuidora De Medicamentos Ltda., Brazil
42. Cipla Algérie, Algeria
43. Breathe Free Lanka (Private) Limited, Sri Lanka
44. Cipla Maroc SA, Morocco
45. Cipla Gulf FZ-LLC, United Arab Emirates
46. Cipla Colombia SAS, Colombia
47. Cipla (China) Pharmaceutical Co., Ltd., China
48. Cipla (Jiangsu) Pharmaceutical Co., Ltd., China
49. Mexicip S.A. de C.V, Mexico (w.e.f. 22 January 2024)

List of Associates:

1. Stempeutics Research Private Limited, India
2. AMP Solar Power Systems Private Limited, India (share of loss/ profit not required to be considered)
3. AMP Energy Green Eleven Private Limited, India (share of loss/ profit not required to be considered)
4. Clean Max Auriga Power LLP, India (share of loss/ profit not required to be considered)
5. GoApptiv Private Limited, India
6. Iconphygital Private Limited, India (Wholly owned subsidiary of GoApptiv Private Limited)
7. MKC Biotherapeutics Inc., United States of America (w.e.f. 27 February 2024)
8. Pactiv Healthcare Private Limited, India (Wholly owned subsidiary of GoApptiv Private Limited)
9. Achira Labs Private Limited, India
10. Brandmed (Pty) Limited, South Africa

Annexure II

Independent Auditor's Report on the internal financial controls with reference to consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the consolidated financial statements of Cipla Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), and its associates as at and for the year ended 31 March 2025, we have audited the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies, and its associate companies, which are companies covered under the Act, as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The respective Board of Directors of the Holding Company, its subsidiary companies and its associate companies, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on internal control financial reporting criteria established by the company considering the essential component of internal control stated in the guidance note on audit of Internal Financial Control over Financial Reporting ("the guidance note") issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Consolidated Financial Statements

3. The audit of internal financial controls with reference to financial statements of a subsidiary and 4 associates which are companies covered under the Act, and reporting under Section 143(3)(i) is exempted vide MCA notification no. G.S.R. 583(E) dated 13 June 2017 read with corrigendum dated 14 July 2017. Consequently, Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies and its associate companies, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies and its associate companies as aforesaid.

Meaning of Internal Financial Controls with Reference to Consolidated Financial Statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Consolidated Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial

statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion and based on the consideration of the reports of the other auditors on internal financial controls with reference to financial statements of the subsidiary companies and associate companies, the Holding Company, its subsidiary companies, its associate companies, which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2025, based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matter

9. We did not audit the internal financial controls with reference to financial statements insofar as it relates to 2 subsidiary companies, which are companies covered under the Act, whose financial statements (prior to consolidation adjustments) reflect total assets of ₹ 226.00 crores and net assets of ₹ 158.65 crores as at, total revenues of ₹ 164.69 crores and net cash inflows amounting to ₹ 7.05 crores for the year ended on that date, as considered in the consolidated financial statements. The internal financial controls with reference to financial statements in so far as it relates to such subsidiary companies have been audited by other auditors whose reports have been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements for the Holding Company, its subsidiary companies, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary companies, is based solely on the reports of the auditors of such companies. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditors.

10. We did not audit the internal financial controls with reference to financial statements in so far as it relates to 4 associate companies, which are companies covered under the Act, in respect of which, the Group's share of net loss (including other comprehensive income) of ₹ (11.14) crores for the year ended 31 March 2025 has been considered in the consolidated financial statements. The internal financial controls with reference to financial statements of these associate companies, which are companies covered under the Act, are unaudited and our opinion under Section 143(3)(i) of the Act on adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to the aforesaid subsidiaries and associates, which are companies covered under the Act, is solely based on the corresponding internal financial controls with reference to financial statements reports certified by the management of such companies. In our opinion and according to the information and explanations given to us by the management, these financial statements are not material to the Group. Our opinion is not modified in respect of the above matter with respect to our reliance on the internal financial controls with reference to financial statements reports) certified by the management.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Adi P. Sethna
Partner
Membership No.: 108840
UDIN: 25108840BMNTWT2912

Place: Mumbai
Date: 13th May, 2025

Consolidated Balance Sheet

as at 31st March, 2025

₹ in Crores

Particulars	Notes	As at 31st March, 2025	As at 31st March, 2024
Assets			
(1) Non-current assets			
(a) Property, plant and equipment	2.1	4,813.88	4,641.94
(b) Right-of-use assets	2.2	448.38	427.03
(c) Capital work-in-progress	2.1	1,212.76	864.32
(d) Investment properties	3	111.25	113.61
(e) Goodwill	4	3,270.27	3,112.04
(f) Other Intangible assets	5	1,362.61	1,312.60
(g) Intangible assets under development	5	353.51	288.40
(h) Investment in associates	6	140.47	130.05
(i) Financial assets			
(i) Investments	7	499.07	512.16
(ii) Loans	8	32.54	16.98
(iii) Other financial assets	9	283.46	508.56
(j) Income tax assets (net)	10	487.86	463.67
(k) Deferred tax assets (net)	10	644.87	587.80
(l) Other non-current assets	11	437.59	297.25
Total non-current assets		**14,098.52**	**13,276.41**
(2) Current assets			
(a) Inventories	12	5,642.11	5,237.95
(b) Financial assets			
(i) Investments	13	7,293.23	4,807.01
(ii) Trade receivables	14	5,506.37	4,770.66
(iii) Cash and cash equivalents	15	588.69	640.07
(iv) Bank balances other than cash and cash equivalents	16	211.15	234.90
(v) Loans	17	15.64	0.24
(vi) Other financial assets	18	2,936.90	2,801.52
(c) Other current assets	19	1,054.88	900.10
Total current assets		**23,248.97**	**19,392.45**
(3) Assets of disposal group classified as held for sale	2.3	39.55	48.96
Total assets		**37,387.04**	**32,717.82**
Equity and liabilities			
(1) Equity			
(a) Equity share capital	20	161.52	161.47
(b) Other equity	21	31,031.93	26,544.96
Equity attributable to owners		**31,193.45**	**26,706.43**
(c) Non-controlling interest	22	95.80	95.90
Total equity		**31,289.25**	**26,802.33**
(2) Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	23	11.98	-
(ii) Lease liabilities	2.2	240.49	225.42
(iii) Other financial liabilities	24	102.39	67.81
(b) Provisions	25	148.69	129.26
(c) Deferred tax liabilities (net)	10	53.53	185.29
(d) Other non-current liabilities	26	56.75	61.94
Total non-current liabilities		**613.83**	**669.72**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	23	80.12	247.02
(ii) Lease liabilities	2.2	105.60	86.97
(iii) Trade payables	27		
- Total outstanding dues of micro enterprises and small enterprises		278.60	253.54
- Total outstanding dues of creditors other than micro enterprises and small enterprises		2,558.89	2,220.44
(iv) Other financial liabilities	28	374.54	492.14
(b) Other current liabilities	29	292.85	311.87
(c) Provisions	25	1,716.61	1,611.76
(d) Income tax liabilities (net)	10	76.75	22.03
Total current liabilities		**5,483.96**	**5,245.77**
Total liabilities		**6,097.79**	**5,915.49**
Total equity and liabilities		**37,387.04**	**32,717.82**

The accompanying notes form an integral part of these consolidated financial statements. 1-60

As per our report of even date attached

For and on behalf of the **Board of Directors**

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Reg. No. 001076N/N500013

Umang Vohra
Managing Director and
Global Chief Executive Officer
DIN: 02296740

Kamil Hamied
Non-Executive Director
DIN: 00024292

Adi P. Sethna
Partner
Membership No.: 108840

Ashish Adukia
Global Chief Financial Officer

Rajendra Chopra
Company Secretary

Mumbai, 13th May, 2025

Mumbai, 13th May, 2025

Consolidated Statement of Profit and Loss

for the year ended 31st March, 2025

₹ in Crores

Particulars	Notes	For the year ended 31st March, 2025	For the year ended 31st March, 2024
(1) Income			
(a) Revenue from operations			
(i) Revenue from sale of products	30	27,145.40	25,446.63
(ii) Other operating revenue	31	402.22	327.46
Total revenue from operations		**27,547.62**	**25,774.09**
(b) Other income	32	861.87	746.57
(2) Total income (a+b)		**28,409.49**	**26,520.66**
(3) Expenses			
(a) Cost of materials consumed	33	5,409.60	5,220.51
(b) Purchases of stock-in-trade	34	3,851.49	3,536.03
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	35	(332.10)	63.03
(d) Employee benefits expense	36	4,832.83	4,310.04
(e) Finance costs	37	62.01	89.88
(f) Depreciation, impairment and amortisation expense	38	1,106.95	1,051.02
(g) Other expenses	39(a)	6,657.90	6,353.43
Total expenses		**21,588.68**	**20,623.94**
(4) Profit before exceptional item, tax and share of associates (2-3)		**6,820.81**	**5,896.72**
(5) Exceptional item	39(b)	-	(194.82)
(6) Profit before tax and share of associates (4+5)		**6,820.81**	**5,701.90**
(7) Tax expense/credit (net)	10		
(a) Current tax		1,708.35	1,696.84
(b) Deferred tax		(178.59)	(150.25)
Total tax expense		**1,529.76**	**1,546.59**
(8) Net profit after tax before share of profit/(loss) from associates (6-7)		**5,291.05**	**4,155.31**
(9) Share of profit/(loss) from associates	6	(21.85)	(1.59)
(10) Net profit for the year (8+9)		**5,269.20**	**4,153.72**
(11) Other comprehensive income/(loss)	40		
(a) (i) Items that will not be reclassified to profit or loss		(66.11)	(88.61)
(ii) Income tax on item that will not be reclassified to profit or loss		9.94	27.68
(b) (i) Items that will be reclassified to profit or loss		276.16	(58.59)
(ii) Income tax on item that will be reclassified to profit or loss		(1.33)	(1.06)
Other comprehensive income/(loss) for the year		**218.66**	**(120.58)**
(12) Total comprehensive income for the year (10+11)		**5,487.86**	**4,033.14**
(13) Profit for the year attributable to			
(a) Owners		5,272.52	4,121.55
(b) Non-controlling interest		(3.32)	32.17
(14) Other comprehensive income/(loss) attributable to			
(a) Owners		**216.94**	**(123.84)**
(b) Non-controlling interest		1.72	3.26
(15) Total comprehensive income attributable to			
(a) Owners		**5,489.46**	**3,997.71**
(b) Non-controlling interest		(1.60)	35.43
(16) Earnings per equity share of face value of ₹ 2 each	41		
Basic (in ₹)		**65.29**	**51.05**
Diluted (in ₹)		**65.24**	**51.01**

The accompanying notes form an integral part of these consolidated financial statements. 1-60

As per our report of even date attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Reg. No. 001076N/N500013

Adi P. Sethna
Partner
Membership No.: 108840

Mumbai, 13th May, 2025

For and on behalf of the **Board of Directors**

Umang Vohra
Managing Director and
Global Chief Executive Officer
DIN: 02296740

Kamil Hamied
Non-Executive Director
DIN: 00024292

Ashish Adukia
Global Chief Financial Officer

Rajendra Chopra
Company Secretary

Mumbai, 13th May, 2025

Consolidated Statement of Changes in Equity

for the year ended 31st March, 2025

(a) Equity share capital (refer note 20)

₹ in Crores

Particulars	As at 31st March, 2025	As at 31st March, 2024
Balance at the beginning of the year	161.47	161.43
Changes in equity share capital during the year on exercise of employee stock options (ESOSs & ESARs)	0.05	0.04
Balance at the end of the year	**161.52**	**161.47**

(b) Other equity (refer note 21)

₹ in Crores

Particulars	Share application money pending allotment	Reserves and surplus					Items of other comprehensive income			Attributable to the owners of the Company	Non-controlling interest	Total
		Capital reserve	Securities premium	General reserve	Employee stock options/ ESAR	Retained earnings*	Foreign currency translation reserve	Equity instruments fair value through other comprehensive income	Effective portion of cash flow hedges			
Balance as at 1st April, 2023	**-**	**(167.04)**	**1,652.77**	**3,144.92**	**61.82**	**18,057.03**	**380.51**	**112.87**	**3.47**	**23,246.35**	**305.76**	**23,552.11**
Profit for the year	-	-	-	-	-	4,121.55	-	-	-	**4,121.55**	32.17	**4,153.72**
Other comprehensive income/(loss) (net of tax)	-	-	-	-	-	(83.13)	(65.30)	22.21	2.38	**(123.84)**	3.26	**(120.58)**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**4,038.42**	**(65.30)**	**22.21**	**2.38**	**3,997.71**	**35.43**	**4,033.14**
Payment of dividend (refer note 43 C)	-	-	-	-	-	(686.17)	-	-	-	**(686.17)**	(36.60)	**(722.77)**
Transfers within Other equity	-	(39.40)	-	0.08	(0.08)	29.50	-	9.90	-	**-**	-	**-**
Exercise of employee stock options	-	-	20.07	-	(21.36)	-	-	-	-	**(1.29)**	-	**(1.29)**
Contribution by Non-controlling interest (refer note 22)	-	-	-	-	-	-	-	-	-	**-**	36.43	**36.43**
Divestment of stake in subsidiaries	-	(1.01)	-	-	-	-	-	-	-	**(1.01)**	(234.28)	**(235.29)**
Transaction with Non-controlling interest (refer note 22)	-	(56.79)	-	-	-	-	-	-	-	**(56.79)**	(10.84)	**(67.63)**
Share application money pending allotment #	0.00	-	-	-	-	-	-	-	-	**0.00**	-	**0.00**
Share based payments expense (refer note 47)	-	-	-	-	46.16	-	-	-	-	**46.16**	-	**46.16**
Balance as at 31st March, 2024	**0.00**	**(264.24)**	**1,672.84**	**3,145.00**	**86.54**	**21,438.78**	**315.21**	**144.98**	**5.85**	**26,544.96**	**95.90**	**26,640.86**

Consolidated Statement of Changes in Equity

for the year ended 31st March, 2025

(b) Other equity (refer note 21) (Contd..)

₹ in Crores

Particulars	Share application money pending allotment	Reserves and surplus					Items of other comprehensive income			Attributable to the owners of the Company	Non-controlling interest	Total
		Capital reserve	Securities premium	General reserve	Employee stock options/ ESAR	Retained earnings*	Foreign currency translation reserve	Equity instruments fair value through other comprehensive income	Effective portion of cash flow hedges			
Profit for the year	-	-	-	-	-	5,272.52	-	-	-	**5,272.52**	(3.32)	**5,269.20**
Other comprehensive income/(loss) (net of tax)	-	-	-	-	-	(17.19)	268.82	(38.53)	3.84	**216.94**	1.72	**218.66**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**5,255.33**	**268.82**	**(38.53)**	**3.84**	**5,489.46**	**(1.60)**	**5,487.86**
Payment of dividend (refer note 43 C)	-	-	-	-	-	(1,049.83)	-	-	-	**(1,049.83)**	(28.97)	**(1,078.80)**
Exercise of employee stock options	-	-	19.76	-	(19.76)	-	-	-	-	**-**	-	**-**
Contribution by Non-controlling interest (refer note 22)	-	-	-	-	-	-	-	-	-	**-**	30.47	**30.47**
Share application money pending allotment #	0.00	-	-	-	-	-	-	-	-	**0.00**	-	**0.00**
Share based payments expense (refer note 47)	-	-	-	-	47.34	-	-	-	-	**47.34**	-	**47.34**
Balance as at 31st March, 2025	**0.00**	**(264.24)**	**1,692.60**	**3,145.00**	**114.12**	**25,644.28**	**584.03**	**106.45**	**9.69**	**31,031.93**	**95.80**	**31,127.73**

represent share application money pending allotment of ₹ 9,144 for 4,572 number of shares (31st March, 2024: ₹ 30,196 for 15,098 number of shares)

*Remeasurement gain/(losses) net of taxes on defined benefit plans during the year is recognised as part of retained earnings.

There are no prior period errors, and hence disclosure with respect to the restatement of the opening balance of "Equity share capital" and "Other equity" is not applicable.

The accompanying notes form an integral part of these consolidated financial statements. (Note 1-60)

As per our report of even date attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Reg. No. 001076N/N500013

Adi P. Sethna
Partner
Membership No.: 108840

Mumbai, 13th May, 2025

For and on behalf of the **Board of Directors**

Umang Vohra
Managing Director and
Global Chief Executive Officer
DIN: 02296740

Kamil Hamied
Non-Executive Director
DIN: 00024292

Ashish Adukia
Global Chief Financial Officer

Rajendra Chopra
Company Secretary

Mumbai, 13th May, 2025

Consolidated Statement of Cash Flows

for year ended 31st March, 2025

₹ in Crores

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Cash flow from operating activities		
Profit before exceptional items and tax	6,820.81	5,896.72
Adjustments for:		
Depreciation, impairment and amortisation expense	1,106.95	1,051.02
Finance costs	62.01	89.88
Unrealised foreign exchange gain (net)	(13.85)	(22.81)
Share based payment expense	47.34	46.16
Allowances for credit loss (net)	8.93	23.51
Interest income on income tax refund	(9.98)	(11.29)
Interest income on bank deposits and others	(254.42)	(208.30)
Sundry balances written back (net)	(10.94)	(18.83)
Net gain on sale of current investment carried at fair value through profit or loss	(174.27)	(69.22)
Net fair value gain on financial instruments at fair value through profit or loss	(234.55)	(221.96)
Net loss/(gain) on sale/disposal of property, plant and equipment	5.06	(3.49)
Gain on divestment of subsidiaries	-	(0.93)
Rent income	(14.54)	(12.97)
Operating profit before working capital changes	**7,338.55**	**6,537.49**
Adjustments for working capital:		
Increase in inventories	(322.54)	(61.86)
Increase in trade and other assets	(801.87)	(906.95)
Increase in trade payables and other liabilities	458.94	162.71
Cash generated from operations	**6,673.08**	**5,731.39**
Income tax paid (net of refunds)	(1,668.10)	(1,597.48)
Net cash flows generated from operating activities (a)	**5,004.98**	**4,133.91**
Cash flow from investing activities		
Purchase of property, plant and equipment {refer note (ii) below}	(1,162.16)	(1,098.25)
Purchase of intangible assets (including intangible asset under development)	(386.04)	(251.05)
Proceeds from sale of property, plant and equipment {refer note (ii) below}	24.85	34.17
Proceeds from sale of intangible assets	8.55	-
Purchase consideration for acquisition of business	(130.00)	-
Receipts of asset-related government grant	-	33.63
Proceeds from sale of investments in subsidiaries (net of cash disposed off) (refer note 58)	-	120.40
Deferred /Purchase consideration for acquisition of subsidiary (net of cash acquired) (refer note 57)	(75.09)	(300.89)
Investment in associates (refer note 6)	(30.63)	(42.00)
Purchase of non-current investments	(17.83)	(6.03)
Proceeds from sale of non-current investments	-	0.60
Purchase of current investments (net)	(2,077.40)	(1,425.97)
Advance received against assets held for sale	11.09	-
Change in bank balances other than cash and cash equivalents	(104.41)	(265.10)
Interest received	260.20	208.23
Loan given to associate and others	(26.81)	(8.74)
Rent received	14.54	12.97
Net cash used in investing activities (b)	**(3,691.14)**	**(2,988.03)**

Consolidated Statement of Cash Flows

for year ended 31st March, 2025

₹ in Crores

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Cash flow from financing activities		
Proceeds from issue of equity shares (ESOSs & ESARs)	0.05	0.04
Transaction with non-controlling interest (net)	2.79	(71.99)
Consideration paid for settlement of option liability	(43.14)	-
Repayment from current borrowings (net)	(98.01)	(300.46)
Proceeds from Non-current borrowings	11.96	-
Principal payment of lease liabilities	(80.23)	(77.02)
Interest paid (including interest on lease liability of ₹ 23.02 Crores (31st March, 2024: ₹ 21.11 Crores)	(36.38)	(64.83)
Dividend paid	(1,049.83)	(686.17)
Net cash used in financing activities (c)	**(1,292.79)**	**(1,200.43)**
Net increase/(decrease) in cash and cash equivalents (a+b+c)	**21.05**	**(54.55)**
Cash and cash equivalents at the beginning of the year	512.34	561.33
Exchange difference on translation of foreign currency cash and cash equivalents	9.26	5.56
Cash and cash equivalents at the end of the year (refer note 15)	**542.65**	**512.34**
Components of cash and cash equivalents:		
Cash and cash equivalents as per Consolidated Balance Sheet (refer note 15)	588.69	640.07
Less: Bank overdraft (refer note 23)	(46.04)	(127.73)
Cash and cash equivalents for Consolidated Statement of Cash Flows	**542.65**	**512.34**

Note:

(i) The above statement of cash flow from operating activities has been prepared under the "Indirect method" as set out in Indian Accounting Standard (Ind AS) 7- Statement of Cash Flows.

(ii) Purchase and sale of property, plant and equipment represents additions and deletions to property, plant and equipment and investment property adjusted for movement of capital work in progress, capital advances and capital creditors during the year.

(iii) For reconciliation of borrowings, refer note 23

The accompanying notes form an integral part of these consolidated financial statements (Note 1-60).

As per our report of even date attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Reg. No. 001076N/N500013

Adi P. Sethna
Partner
Membership No.: 108840

Mumbai, 13th May, 2025

For and on behalf of the **Board of Directors**

Umang Vohra
Managing Director and
Global Chief Executive Officer
DIN: 02296740

Kamil Hamied
Non-Executive Director
DIN: 00024292

Ashish Adukia
Global Chief Financial Officer

Rajendra Chopra
Company Secretary

Mumbai, 13th May, 2025

Notes to the Consolidated Financial Statements

Group Information

Cipla Limited (Corporate identity number: L24239MH1935PLC002380) ("Cipla" or "the Company") having a registered office at Cipla house, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400013, is a public company incorporated and domiciled in India. The Company is in the business of manufacturing, developing, and marketing a wide range of branded and generic formulations and Active Pharmaceutical Ingredients (APIs). The Group has a wide network of manufacturing, trading, and other incidental operations in India and International markets. Equity shares of the Company are listed on the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited. Global Depository Receipts are listed on the Luxembourg Stock Exchange.

The consolidated financial statements comprise financial statements of Cipla Limited ('the Company') and its subsidiaries (the Company and its subsidiaries together referred to as 'the Group'), and its associates (refer to "Annexure A" to Note 1 for the list of subsidiaries and associates).

Note 1: Basis of Preparation, Measurement, Key accounting estimates and judgements and Material accounting policies information

1.1 Basis of Preparation and Measurement

(i) Compliance with Indian Accounting Standards (Ind AS)

The consolidated financial statements of the Group as at and for the year ended 31st March, 2025 have been prepared and presented in accordance with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 ("the Act") [Companies (Indian Accounting Standards) Rules, 2015], and presentation requirements of Division II of Schedule III to the Companies Act, 2013 as amended from time to time, and other relevant provisions of the Act and accounting principles generally accepted in India. These financial statements have been prepared on a going concern basis.

(ii) Consistency of accounting policy

The accounting policies are applied consistently to all the periods presented in the consolidated financial statements.

(iii) Functional currency and rounding of amounts

The consolidated financial statements are presented in Indian Rupee (₹) which is also the functional currency of the parent company. All amounts disclosed in the consolidated financial statements and notes have been rounded-off to the nearest crore or decimal thereof as per the requirement of Schedule III, unless otherwise stated. Amount less than ₹ 50,000/- is presented as ₹ 0.00 Crore. Items included in the consolidated financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency') unless the use of a different currency is appropriate.

(iv) Basis of measurement

The consolidated financial statements have been prepared on a historical cost basis and on accrual basis, except for the following:

- Financial assets and liabilities are measured at fair value or at amortised cost depending on classification;
- Derivative financial instruments and contingent consideration is measured at fair value;
- Assets held for sale – measured at fair value less cost to sell;
- Defined benefit plans – plan assets measured at fair value;
- Lease liability and Right-of-use assets – measured at fair value;
- Share based payments – measured at fair value;
- Investment in associates are accounted for using equity method; and
- Asset and liabilities assumed as part of business combination – measured at fair value.

All assets and liabilities have been classified as current and non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III of the Act and Ind AS 1 - Presentation of Financial Statements.

Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities. Deferred tax assets and liabilities are always disclosed as non-current.

(v) Basis of consolidation

The consolidated financial statements relate to Cipla Limited, its subsidiaries and associates. The financial statements of the subsidiaries and associates used for the purpose of consolidation are drawn up to the same reporting date as that of the Group.

The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner, as the Company's separate financial statements. The consolidated financial statements have been prepared on the following basis:

Notes to the Consolidated Financial Statements

Investment in subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The net assets and results of acquired businesses are included in the consolidated financial statements from their respective dates of acquisition, being the date on which the Group obtains control. The results of disposed businesses are included in the consolidated financial statements up to their date of disposal, being the date control ceases. The financial statements of subsidiaries are included in these consolidated financial statements from the date that control commences until the date that control ceases.

The excess of cost to the Group of its investment in subsidiaries, on the acquisition dates over and above the Group's share of equity in the subsidiaries, is recognised as 'Goodwill on Consolidation' in the consolidated financial statements. The said Goodwill is not amortised, however, it is tested for impairment at each Balance Sheet date and the impairment loss, if any, is provided for. On the other hand, where the share of equity in subsidiaries as on the date of investment is in excess of cost of investments of the Group, it is recognised as 'Capital Reserve' and shown under the head 'Other Equity' in the consolidated financial statements.

Non-controlling interests represent that part of the total comprehensive income and net assets of subsidiaries attributable to the interest which is not owned, directly or indirectly, by the Parent Company.

Non-controlling interests in the net assets of consolidated subsidiaries is identified and presented in the consolidated Balance Sheet separately within equity. Non-controlling interests are valued based on the proportion of net assets of the acquired company at the date of acquisition.

Non-controlling interests in the net assets of consolidated subsidiaries consists of:

(a) The amount of equity attributable to non-controlling interests at the date on which investment in a subsidiary is made; and

(b) The non- controlling interests share of movements in equity since the date parent subsidiary relationship came into existence.

The consolidated financial statements of the Group have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions and resulting unrealised profits. Unrealised losses resulting from intra-group transactions are eliminated unless cost cannot be recovered.

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

The profit and other comprehensive income attributable to non-controlling interest of subsidiaries are shown separately in the consolidated statement of profit and loss and consolidated statement of changes in equity.

Upon loss of control, the Group de-recognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in the consolidated profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as a FVTOCI or FVTPL financial asset, depending on the level of influence retained.

Investment in Associates

Investments in associates are accounted for using the equity method unless otherwise stated. Under the equity method of accounting, on initial recognition the investment in an associate is recognised at cost. The carrying amount of the investment in associates is increased or decreased to recognise the Group's share of the profit or loss after the date of acquisition, unless the share purchase agreement specify otherwise. When necessary, adjustments are made to bring the accounting policies in line with those of the Group. Unrealised gains and losses on transactions between the Group and its associates are eliminated to the extent of the Group's interest in those entities. Where unrealised losses are eliminated, the underlying asset is also tested for impairment.

If an entity's share of losses of an associate equal or exceeds its interest in the associate, the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

Notes to the Consolidated Financial Statements

1.2 Key accounting estimates and Judgements

The preparation of consolidated financial statements requires management of the Group to make judgements, estimates and assumptions that affect the reported assets and liabilities, revenue and expenses and disclosures relating to contingent liabilities. Management believes that the estimates used in the preparation of the consolidated financial statements are prudent and reasonable. Estimates and underlying assumptions are reviewed by management at each reporting date. Actual results could differ from these estimates. Any revision of these estimates is recognised prospectively in the current and future periods.

Following are the critical judgements and estimates:

1.2.1. Judgements

(i) Leases

Ind AS 116 - Leases requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Group's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

(ii) Income taxes

The major tax jurisdictions for the Group are India, US and South Africa, though the Group companies also files tax returns in other foreign jurisdictions. Significant judgements are involved in determining the provision for income taxes including judgement on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods. The recognition of taxes that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances.

In assessing the realisability of deferred tax assets, management considers whether some portion or all of the deferred tax assets will not be realised. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the Group will realise the benefits of those deductible differences. The amount of the deferred income tax assets considered realisable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

(iii) Research and development costs

Research and development (R&D) expenses are fully charged to "Other expenses" in the consolidated statement of profit and loss in the period in which they are incurred. The Group considers that regulatory and other uncertainties inherent in the development of new products preclude the capitalization of internal development expenses as an intangible asset until marketing approval from a regulatory authority is obtained in a major market.

Payments made to third parties, such as contract research and development organizations in compensation for subcontracted R&D, that are deemed not to transfer intellectual property to Group are expensed as R&D expenses in the period in which they are incurred. Such payments are only capitalized if they meet the criteria for recognition of an internally generated intangible asset, usually when marketing approval has been received from a regulatory authority in a major market.

Payments made to third parties to in-license or acquire intellectual property rights, compounds and products, including initial upfront and subsequent milestone payments, are capitalized, as are payments for other assets, such as technologies to be used in R&D activities. If additional payments are made to the originator company to continue performing R&D activities, an evaluation is made as to the nature of the payments. Such additional payments will be expensed if they are deemed to be compensation for subcontracted R&D services not resulting in an additional transfer of intellectual property rights to Group. Such additional payments will be capitalized if they are deemed to be compensation for the transfer of additional

Notes to the Consolidated Financial Statements

intellectual property developed at the risk of the originator company. Subsequent internal R&D costs in relation to IPR&D and other assets are expensed, since the technical feasibility of the internal R&D activity can only be demonstrated by the receipt of marketing approval for a related product from a regulatory authority in a major market.

(iv) Provisions and contingent liabilities

The Group exercises judgement in determining if a particular matter is possible, probable or remote. The Group also exercises judgement in measuring and recognising provisions and the exposures to contingent liabilities related to pending litigation or other outstanding claims subject to negotiated settlement, mediation, government regulation, as well as other contingent liabilities. Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual losses may be different from the originally estimated provision. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

(v) Business combinations

The Group uses the acquisition method of accounting to account for business combinations. The acquisition date is the date on which control is transferred to the acquirer. Judgement is applied in determining the acquisition date, determining whether control is transferred from one party to another and whether acquisition constitute a business or asset acquisition. Control exists when the Group is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive.

1.2.2 Estimates

(i) Useful lives of property, plant and equipment, and intangible assets

Property, plant and equipment, and intangibles assets represent a significant proportion of the asset base of the Group. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Group's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

(ii) Refund liabilities

The Group accounts for sales returns accrual by recording refund liabilities concurrent with the recognition of revenue at the time of a product sale. This liability is based on the Group's estimate of expected sales returns. The Group deals in various products and operates in various markets. Accordingly, the estimate of sales returns is determined primarily by the Group's historical experience in the markets in which the Group operates. With respect to established products, the Group considers its historical experience of sales returns, levels of inventory in the distribution channel, estimated shelf life, product discontinuances, price changes of competitive products, and the introduction of competitive new products, to the extent each of these factors impact the Group's business and markets.

At the time of recognising the refund liability, the Group also recognises an asset, (i.e., the right to the returned goods to the extent goods are saleable in market) which is included in inventories for the products expected to be returned and sold. The Group initially measures this asset at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods. Along with re-measuring the refund liability at the end of each reporting period, the Group updates the measurement of the asset recorded for any revisions to its expected level of returns, as well as any additional decreases in the value of the returned products.

(iii) Provision for chargeback, rebates and discounts

Provisions for chargeback, rebates, discounts, other deductions and medicaid payments are estimated and provided for in the year of sales and recorded as reduction of revenue. A chargeback claim is a claim made by the wholesaler for the difference between the price at which the product is initially invoiced to the wholesaler and the net price at which it is agreed to be procured from the Group. Provisions for such chargebacks, rebates and discounts are accrued and estimated based on historical average rate actually claimed

Notes to the Consolidated Financial Statements

over a period of time, current contract prices with wholesalers/other customers and estimated inventory holding by the wholesaler.

(iv) Shelf stock adjustments

Shelf stock adjustments are credits issued to customers to reflect decreases in the selling price of products sold by the Group, and are accrued when the prices of certain products decline as a result of increased competition upon the expiration of limited competition or exclusivity periods. These credits are customary in the pharmaceutical industry and are intended to reduce the customer inventory cost to better reflect the current market prices. The determination to grant a shelf stock adjustment to a customer is based on the terms of the applicable contract, which may or may not specifically limit the age of the stock on which a credit would be offered.

(v) Inventories obsolescence

The factors that the Group considers in determining the provision for slow moving, obsolete and other non-saleable inventory include estimated shelf life, planned product discontinuances, price changes, ageing of inventory and introduction of competitive new products, to the extent each of these factors impact the Group's business and markets. The Group considers all these factors and adjusts the inventory obsolescence to reflect its actual experience on a periodic basis.

(vi) Expected credit loss

In accordance with Ind AS 109 - Financial Instruments, the Group applies ECL model for measurement and recognition of impairment loss on the trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115 - Revenue from Contracts with Customers.

For this purpose, the Group follows 'simplified approach' for recognition of impairment loss allowance on the trade receivable balances, contract assets and lease receivables. The application of simplified approach requires expected lifetime losses to be recognised from initial recognition of the receivables based on lifetime ECLs at each reporting date.

As a practical expedient, the Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

In case of other assets, the Group determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to twelve months ECL is measured and recognised as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognised as loss allowance.

(vii) Accounting for defined benefit plans

In accounting for post-retirement benefits, several statistical and other factors that attempt to anticipate future events are used to calculate plan expenses and liabilities. These factors include expected return on plan assets, discount rate assumptions and rate of future compensation increases. To estimate these factors, actuarial consultants also use estimates such as withdrawal, turnover, and mortality rates which require significant judgement. The actuarial assumptions used by the Group may differ materially from actual results in future periods due to changing market and economic conditions, regulatory events, judicial rulings, higher or lower withdrawal rates, or longer or shorter participant life spans.

(viii) Impairment of non-financial assets

An impairment loss is recognised for the amount by which an asset's or cash-generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows from each asset or cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows, management makes assumptions about future operating results. These assumptions relate to future events and circumstances. The actual results may vary and may cause significant adjustments to the Group's assets.

In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors.

Notes to the Consolidated Financial Statements

(ix) Fair value of financial instruments

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. Details of the assumptions used are given in the notes regarding financial assets and liabilities. In applying the valuation techniques, management makes maximum use of market inputs and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

1.3 Material Accounting Policies

1.3.1 Property, plant and equipment and Capital work-in-progress

(i) Recognition and measurement

Property, plant and equipment, is stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any. Cost of acquisition or construction of property, plant and equipment comprises its purchase price including import duties and non-refundable purchase taxes net of trade discounts, rebates and any directly attributable cost of bringing the item to its working condition for its intended use.

Freehold land has an unlimited useful life and therefore is not depreciated.

Property, plant and equipment acquired in a business combination, other than common control combination, are recognised at fair value at the acquisition date. Property, plant and equipment acquired under common control combination are recognised at carrying value at the acquisition date.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance cost are charged to the consolidated statement of profit and loss during the period in which they are incurred.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as 'Capital work-in-progress'. Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under 'Other Non-Current Assets'.

Software for internal use, which is primarily acquired from third-party vendors, and which is an integral part of a tangible asset, including consultancy charges for implementing the software, is capitalised as part of the related tangible asset. Subsequent costs associated with maintaining such software are recognised as expense as incurred. The capitalised costs are amortised over the estimated useful life of the software or the remaining useful life of the tangible fixed asset, whichever is lower.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

Capital work-in-progress included in non-current assets comprises of direct costs, related incidental expenses and attributable interest. Capital work-in-progress are not depreciated as these assets are not yet available for use.

(ii) Depreciation

Depreciation on property, plant, and equipment (other than freehold land) is calculated on pro-rata on the straight line method based on the useful life of the assets as indicated under Part C of Schedule II of the Companies Act 2013 except for certain assets where management believes and based on the technical evaluation and assessment that the useful lives adopted by it best represent the period over which an asset is expected to be available for use.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and, if expectations differ from previous estimates, the changes are accounted for as a change in an accounting estimate and adjusted prospectively.

The estimated useful lives are as follows:

Property, plant and equipment	Useful Life
Buildings – Factory and Administrative Buildings	25 to 40 years
Buildings – Ancillary structures	3 to 10 years
Plant and equipment	2 to 20 years
Furniture, fixtures and office equipment	3 to 10 years
Vehicles	4 to 8 years
Computers	3 years

Notes to the Consolidated Financial Statements

(iii) **De-recognition**

An item of property, plant and equipment, is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit and loss.

1.3.2 Intangible assets

(i) **Recognition and measurement**

Intangible assets comprises of marketing intangibles, trademarks, technical know-how, brands, customer relationship, computer software, product related intangibles, distribution network and non – compete rights acquired separately are measured on initial recognition at cost. Further, payments to third parties for in-licensed products, generally take the form of up-front and milestones payments and are capitalised following a cost accumulation approach to variable payments (milestones) when receipt of economic benefits out of the separately purchased transaction is considered to be probable. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment loss, if any. Subsequent expenditures are capitalised only when they increase the future economic benefits embodied in the specific asset to which they relate.

(ii) **Goodwill**

Goodwill represents the excess of consideration transferred, together with the amount of non-controlling interest in the acquiree, over the fair value of the identifiable net assets acquired. Goodwill is measured at cost less accumulated impairment losses. In respect of equity accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment, and any impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying value of the equity accounted investee.

(iii) **In-Process Research and Development assets (“IPR&D”) or Intangible assets under development**

Acquired research and development intangible assets that are under development are recognised as In-Process Research and Development assets (“IPR&D”) or Intangible assets under development. IPR&D assets are not amortised but evaluated for potential impairment on an annual basis or when there are indications that the carrying value may not be recoverable. Subsequent expenditure on an In-Process Research or Development project acquired separately or in a business combination and recognised as an intangible asset is:

- recognised as an expense when incurred, if it is research expenditure;
- capitalised if the cost can be reliably measured, the product or process is technically and commercially feasible and the Group has sufficient resources to complete the development and to use and sell the asset.

(iv) **Expenditure on regulatory approval**

Expenditure for obtaining regulatory approvals and registration of products for overseas markets is charged to the consolidated statement of profit and loss.

(v) **Amortisation**

The Group amortises intangible assets with a finite useful life using the straight-line method over the following useful lives:

Intangible assets	Useful Lives
Marketing intangibles	2 to 25 years
Trademarks	2 to 15 years
Technical Know-how	2 to 15 years
Brands	2 to 15 years
Computer software	2 to 6 years
Non-compete rights	5 years
Customer Relationships	4 years

The amortisation period and the amortisation method for intangible assets with a finite useful life are reviewed at each reporting date and adjusted prospectively, if appropriate.

The amortisation expense on intangible assets with finite life is recognised in the consolidated statement of profit and loss under the head depreciation, impairment and amortisation expense.

(vi) **De-recognition of intangible assets**

Intangible assets are de-recognised either on their disposal or where no future economic benefits are expected from their use. Losses arising on such de-recognition are recorded in the consolidated profit or loss, and are measured as the difference between the net disposal proceeds, if any, and the carrying amount of respective intangible assets as on the date of de-recognition.

Notes to the Consolidated Financial Statements

1.3.3 Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as investment properties. Investment property is measured initially at its cost, including related transaction costs and borrowing costs where applicable. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably.

Investment properties are depreciated using the straight-line method over their estimated useful lives.

Investment properties generally have a useful life of 5-60 years. The useful life has been determined based on technical evaluation performed by the management's expert.

1.3.4 Discontinued operations and Assets classified as held for sale

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and:

- represents a separate major line of business or geographical area of operations; and
- is part of a single co-ordinated plan to dispose of such a line of business or area of operations.

The results of discontinued operations are presented separately as a single amount as profit or loss after tax from discontinued operational in the consolidated statement of profit and loss.

Assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell.

An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the asset is recognised at the date of de-recognition.

Assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Assets classified as held for sale are presented separately from the other assets in the Balance Sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the Consolidated Balance Sheet.

1.3.5 Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, an impairment test is performed each year at 31st March.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or the cash-generating unit. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

The goodwill acquired in a business combination is, for the purpose of impairment testing, allocated to cash-generating units that are expected to benefit from the synergies of the combination.

An impairment loss is recognised in the consolidated statement of profit and loss if the estimated recoverable amount of an asset or its cash-generating unit is lower than its carrying amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a

Notes to the Consolidated Financial Statements

favourable change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Goodwill that forms part of the carrying amount of an investment in an associate is not recognised separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in an associate is tested for impairment as a single asset when there is objective evidence that the investment in an associate may be impaired.

1.3.6 Foreign currency translation

Foreign currency transactions and balances

Transactions in foreign currencies are translated into respective functional currencies of Group Companies at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary items are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined. Foreign exchange gains and losses resulting from the translation are recognised in the consolidated statement of profit and loss except for foreign currency exchange differences arising from the translation of the qualifying cash flow hedges to the extent that the hedges are effective.

Group Companies

The financial statements of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated as follows:

- Assets and liabilities are translated at the closing rate prevailing on the reporting date;
- Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate;
- Income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- All resulting exchange differences are recognised in other comprehensive income.

On disposal of a foreign operation, the related cumulative translation differences recognised in equity are re-classified to consolidated statement of profit and loss and are recognised as part of the gain or loss on disposal.

1.3.7 Inventories

Inventories consists of raw materials and packing materials, stores, spares and consumables, work-in-progress, stock-in-trade and finished goods and are measured at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and costs necessary to make the sale.

Cost of inventories is determined on a weighted average basis.

Cost includes expenditures incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of finished goods and work-in-progress, cost includes an appropriate share of overheads based on normal operating capacity.

Raw materials and packing materials are considered at replacement cost if the finished products, in which they will be used, are expected to be sold at or above cost.

Stores and spares are inventories that do not qualify to be recognised as property, plant and equipment and consists of consumables, engineering spares (such as machinery spare parts), which are used in operating machines or consumed as indirect materials in the manufacturing process.

1.3.8 Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is initially recognised as deferred income at fair value and subsequently are recognised in consolidated statement of profit and loss as other income on a systematic basis over the expected useful life of the related asset.

Export entitlement from government authority are recognised in the consolidated statement of profit and loss as other operating revenue when the right to receive is established as per the terms of the scheme in

Notes to the Consolidated Financial Statements

respect of the exports made by the Group with no future related cost and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

1.3.9 Revenue recognition

(i) Sale of products

Revenues are recorded in the amount of consideration to which the Group expects to be entitled in exchange for performance obligations upon transfer of control to the customer and is measured at the amount of transaction price allocated to that performance obligation. The transaction price of goods sold and services rendered is net of estimated incentives, returns, chargeback, rebates, sales tax and applicable trade discounts, allowances, Goods and Services Tax (GST) and amounts collected on behalf of third parties.

The Group recognises revenue from product sales when control of the product transfers, generally upon shipment or delivery, to the customer, or in certain cases, upon the corresponding sales by customer to a third party. Variable consideration are estimated and accounted in the same period the related sales occur. The methodology and assumptions used to estimate rebates and returns are monitored and adjusted regularly in the light of contractual and legal obligations, historical trends, past experience and projected market conditions. The revenue for such variable consideration is included in the Group's estimate of the transaction price only if it is highly probable that a significant reversal of revenue will not occur once any uncertainty is resolved. The Group estimates the amount of variable consideration using the expected value method or historical record of performance of similar contracts.

(ii) Sales by clearing and forwarding agents

Revenue from sales of generic products in India is recognised upon delivery of products to distributors by clearing and forwarding agents of the Group. Control in respect of ownership of generic products are transferred by the Group when the goods are delivered to distributors from clearing and forwarding agents. Clearing and forwarding agents are generally compensated on a commission basis as a percentage of sales made by them.

(iii) Out-licensing arrangements

Revenues include amounts derived from product out-licensing agreements. These arrangements typically consist of an initial up-front payment on inception of the license and subsequent payments dependent on achieving certain milestones in accordance with the terms prescribed in the agreement. In cases where the transaction has two or more components, the Group accounts for the delivered item (for example, the transfer of title to the intangible asset) as a separate unit of accounting and record revenue upon delivery of that component, provided that the Group can make a reasonable estimate of the fair value of the undelivered component. Otherwise, non-refundable up-front license fees received in connection with product out-licensing agreements are deferred and recognised over the balance period in which the Group has pending performance obligations.

Milestone payments which are contingent on achieving certain clinical milestones are recognised as revenues either on achievement of such milestones, over the performance period depending on the terms of the contract. If milestone payments are creditable against future royalty payments, the milestones are deferred and released over the period in which the royalties are anticipated to be paid.

Royalty revenue is recognised on an accrual basis in accordance with the substance of the relevant agreement (provided that it is probable that economic benefits will flow to the Group and the amount of revenue can be measured reliably). Royalty arrangements that are based on production, sales and other measures are recognised by reference to the underlying arrangement.

The Group estimates variable consideration in the form of sales-based milestones by using the expected value or most likely amount method, depending upon which method the Group expects to better predict the amount of consideration to which it will be entitled.

(iv) Service fee

Revenue from services rendered is recognised in the consolidated statement of profit and loss as the underlying services are performed. Upfront non-refundable payments received under these arrangements are deferred and recognised as revenue over the expected period over which the related services are expected to be performed.

(v) Profit sharing revenues

The Group from time to time enters into marketing arrangements with certain business partners for the sale of its products in certain markets. Under such arrangements, the Group sells its products to

Notes to the Consolidated Financial Statements

the business partners at a non-refundable base purchase price agreed upon in the arrangement and is also entitled to a profit share which is over and above the base purchase price. The profit share is typically dependent on the business partner's ultimate net sale proceeds or net profits, subject to any reductions or adjustments that are required by the terms of the arrangement. Such arrangements typically require the business partner to provide confirmation of units sold and net sales or net profit computations for the products covered under the arrangement.

Revenue in an amount equal to the base sale price is recognised in these transactions upon delivery of products to the business partners. An additional amount representing the profit share component is recognised as revenue only to the extent that it is highly probable that a significant reversal will not occur.

(vi) Contract balances

Contract assets - A Contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Contract liabilities- A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

1.3.10 Other income (interest income, Dividend and Others)

(i) Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(ii) Dividends

Dividend income from investments is recognised when the right to receive payment has been established, provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably.

(iii) Others (other than interest and dividend income)

Other Income consists of rent income, insurance claim, vendor settlement income and miscellaneous income and is recognised when it is probable that the economic benefits will flow to the Group and amount of income can be measured reliably.

1.3.11 Employee benefits

(i) Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits and are measured on undiscounted basis. Benefits such as salaries, wages, etc. and the expected cost of ex-gratia are recognised in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) Defined contribution plans

Post-retirement contribution plans such as Employees' Pension scheme, Labour Welfare Fund, Employee State Insurance Corporation (ESIC) are charged to the consolidated statement of profit and loss for the year when the contributions to the respective funds accrue. The Group does not have any obligation other than the contribution made.

In respect of Indian subsidiaries, eligible employees receive benefits from a provident fund, which is a defined contribution plan. Both the eligible employee and respective companies make monthly contributions to this provident fund plan equal to a specified percentage of the covered employee's salary. Amounts collected under provident fund plan are deposited in a government - administered provident fund. Indian subsidiaries have no further obligation to plan beyond its monthly contributions.

In respect of USA subsidiaries, there is a 401(k) plan that provides defined contribution retirement benefits for all the employees. Participants may contribute a portion of their compensation to the plan, subject to the limitations under the

Notes to the Consolidated Financial Statements

Internal Revenue Code. The USA subsidiaries contributions to the plan are at the discretion of the Board. Obligations for contributions to 401(k) plan are recognised as an employee benefits expense in consolidated statement of profit and loss as incurred.

For other foreign subsidiaries, contributions to defined contribution plans are charged to the consolidated profit or loss as and when the services are received from the employees.

(iii) Defined benefit plans

a) Employee's provident fund

In accordance with the Employees' Provident Fund and Miscellaneous Provision Act, 1952, all eligible employees of the Holding Company are entitled to receive benefits under the provident fund plan in which both the employee and employer (at a determined rate) contribute monthly to "Cipla Limited Employee's Provident Fund Trust", a Trust set up by the Holding Company to manage the investments and distribute the amounts to employees at the time of separation from the Holding Company or retirement, whichever is earlier. This plan is a defined benefit obligation plan as the Company is obligated to provide its members a rate of return which should, at a minimum, meet the interest rate declared by the government-administered provident fund. A part of the Holding Company's contribution is transferred to the government-administered pension fund. The contributions made by the Holding Company and the shortfall of interest, if any, on the basis of an actuarial valuation are recognised as an expense in the consolidated statement of profit and loss under "Employee benefits expense".

b) Gratuity obligations

Post-retirement benefit plans such as gratuity for eligible employees of the Company and its Indian subsidiaries are calculated using projected unit credit method on the basis of actuarial valuation made by an independent actuary as at the reporting date. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable), and the return on plan assets (excluding net interest), is recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is included in retained earnings and will not be reclassified to the consolidated statement of profit and loss.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the consolidated statement of profit and loss.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the consolidated statement of profit and loss as past service cost.

(iv) Other benefit plans

Liability in respect of compensated absences becoming due or expected to be availed within one year from the reporting date is recognised on the basis of undiscounted value of estimated amount required to be paid or estimated value of benefit expected to be availed by the employees. Liability in respect of compensated absences becoming due or expected to be availed more than one year after the reporting date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the consolidated statement of profit and loss and are not deferred.

(v) Termination benefits

Termination benefits are recognised in the consolidated statement of profit and loss at the earlier of the following dates:

(a) when the Group can no longer withdraw the offer of those benefits; or

(b) when the Group recognises costs for a restructuring that is within the scope of Ind AS 37: Provisions, Contingent Liabilities and Contingent Assets and involves the payment of termination benefits.

Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value consolidated statement of profit and loss.

Notes to the Consolidated Financial Statements

(vi) Other long-term employee benefits

The Group's net obligation in respect of other long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and previous periods. That benefit is discounted to determine its present value.

1.3.12 Share-based payments

a) Equity settled share-based payment transactions

The Group operates equity-settled share-based remuneration plans for its employees.

The Group recognises compensation expense relating to share based payments in accordance with Ind AS 102-Share based Payment. For share entitlement granted by the Group to its employees, the estimated fair value as determined on the date of grant, is charged to the Consolidated Statement of Profit and Loss on a straight-line basis over the vesting period and assessment of performance conditions if any, with a corresponding increase in equity.

Upon exercise of share options, the proceeds received, net of any directly attributable transaction costs, are allocated to share capital up to the nominal (or par) value of the shares issued with any excess being recorded as share premium

b) Cash settled share-based payment transactions

The fair value of the amount payable to employees in respect of share-based payment transactions which are settled in cash is recognised as an expense, with a corresponding increase in liabilities, over the period during which the employees become unconditionally entitled to payment. The liability is re-measured at each reporting date and at the settlement date based on the fair value of the share-based payment transaction. Any changes in the liability are recognised in the consolidated statement of profit and loss.

1.3.13 Taxes

Income tax expense comprises of current tax expense and deferred tax expense/benefit. Current and deferred taxes are recognised in the consolidated statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity.

(i) Current income tax

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the applicable income tax law of the respective jurisdiction. The current tax is calculated using tax rates that have been enacted or substantively enacted, at the reporting date and any adjustment to tax payable in respect of previous years. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(ii) Deferred tax

Deferred tax is recognised using the Balance Sheet approach on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Group recognises a deferred tax asset arising from unused tax losses or tax credits only to the extent that the respective group company has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which the unused tax losses or unused tax credits can be utilised by the respective group company.

Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be recovered or settled.

Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent it is reasonably certain that the Group will pay normal income tax during the specified period. Such asset

Notes to the Consolidated Financial Statements

is reviewed at each reporting date and the carrying amount of the MAT credit asset is written down to the extent there is no longer convincing evidence to the effect that the Group will pay normal income tax during the specified period.

The Group recognises deferred tax liability for all taxable temporary differences associated with investments in subsidiaries and associates, except to the extent that both of the following conditions are satisfied:

- When the Group is able to control the timing of the reversal of the temporary difference; and
- It is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities.

Withholding tax arising out of payment of dividends to shareholders under the Indian Income tax regulations is not considered as tax expense for the Company and all such taxes are recognised in the consolidated statement of changes in equity as part of the associated dividend payment.

(iii) Uncertain tax positions

Accruals for uncertain tax positions require management to make judgements of potential exposures. Accruals for uncertain tax positions are measured using either the most likely amount or the expected value amount depending on which method the entity expects to better predict the resolution of the uncertainty. Tax benefits are not recognised unless the tax positions will probably be accepted by the tax authorities. This is based upon management's interpretation of applicable laws and regulations and the expectation of how the tax authority will resolve the matter. Once considered probable of not being accepted, management reviews each material tax benefit and reflects the effect of the uncertainty in determining the related taxable amounts.

1.3.14 Leases

The Group's lease asset classes primarily consist of leases for land, Plant and equipment, buildings and flats, vehicles and computers. The Group assesses whether a contract is or contains a lease, at the inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

(i) the contract involves the use of an identified asset;

(ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease; and

(iii) the Group has the right to direct the use of the asset.

The right-of-use asset is a lessee's right to use an asset over the life of a lease. At the date of commencement of the lease, the Group recognises a right-of-use asset ('ROU') and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases of low value assets. For these leases of low value assets, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease. The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

Lease liability is initially measured at the present value of future lease payments. Lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. Lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability and reducing the carrying amount to reflect the lease payments made. A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

1.3.15 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank including fixed deposit with original maturity period of three months or less and short-term highly liquid investments with an original maturity of three months or less.

1.3.16 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources

Notes to the Consolidated Financial Statements

embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date. If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provision for onerous contracts

A provision for onerous contracts is recognised in the consolidated statement of profit and loss when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

1.3.17 Contingent liabilities and assets

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. The Group does recognise a contingent liability but discloses its existence in the consolidated financial statements.

Contingent assets are not recognised in the consolidated financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

1.3.18 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial assets

(a) Initial recognition and measurement

All financial assets (excluding trade receivables) are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the date the Group commits to purchase or sell the financial assets.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, in which case they are recognised at fair value. The Group's trade receivables do not contain any significant financing component and hence are measured at the transaction price measured under Ind AS 115 "Revenue from Contracts with Customers".

(b) Subsequent measurement

For subsequent measurement, the Group classifies a financial asset in accordance with the below criteria:

- The Group's business model for managing the financial asset; and
- The contractual cash flow characteristics of the financial asset.

Based on the above criteria, the Group classifies its financial assets into the following categories:

a) Debt instruments at amortised cost;

b) Debt instruments at FVTOCI;

c) Debt instruments, derivatives and equity instruments at FVTPL; and

d) Equity instruments measured at FVTOCI.

(i) Debt instruments at amortised cost

A 'debt instrument' is subsequently measured at the amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in Other Income in the profit or loss. The losses arising from impairment are recognised in the consolidated statement of profit and loss.

Notes to the Consolidated Financial Statements

(ii) **Debt instrument at fair value through other comprehensive income (FVTOCI)**

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Group recognises interest income, impairment losses and reversals and foreign exchange gain or loss in the profit or loss. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to profit or loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

(iii) **Debt instrument at fair value through profit or loss (FVTPL)**

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL. In addition, the Group may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the FVTPL category are measured at fair value with all the changes in the consolidated statement of profit and loss.

(iv) **Equity instruments**

All equity instruments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present subsequent changes in the fair value in OCI. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, including foreign exchange gain or loss and excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the consolidated statement of profit and loss.

(c) **De-recognition**

A financial asset is primarily derecognised (i.e. removed from the Group's consolidated balance sheet) when:

a) The contractual rights to receive cash flows from the asset have expired, or

b) The Group has transferred its rights to receive contractual cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in OCI and accumulated in

Notes to the Consolidated Financial Statements

equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

(d) **Impairment of financial assets (trade receivables and other financial assets)**

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115. The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or any contractual right to receive cash or another financial asset. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. As a practical expedient, the Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

(ii) **Financial liabilities**

(a) **Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

(b) **Subsequent measurement**

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

(c) **Financial liabilities at fair value through profit or loss**

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or is designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred principally for the purpose of repurchasing in the near term or on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking. This category also includes derivative financial instruments that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For instruments not held-for-trading financial liabilities designated as at FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognised in OCI, unless the recognition of the effects of changes in the liability's credit risk in OCI would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognised in profit or loss. These gains/loss are not subsequently transferred to profit or loss. All other changes in fair value of such liability are recognised in the consolidated statement of profit and loss.

(d) **Financial liabilities subsequently measured at amortised cost**

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost in subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest rate (EIR) method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item in the consolidated statement of profit and loss. After initial recognition, such financial liabilities are subsequently measured at amortised cost using the EIR

Notes to the Consolidated Financial Statements

method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the consolidated statement of profit and loss.

(e) **De-recognition**

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of profit and loss.

(iii) Derivative financial instruments

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment.
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.

Fair value hedges:

The Group uses derivative forward contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which derivative contract is entered into and are subsequently re-measured at fair value at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to consolidated statement of profit and loss.

Hedge accounting is discontinued when the group revokes the hedge relationship, the hedging instrument or hedged item expire or sold, terminated, or exercised or no longer meets the criteria for hedge accounting.

Cash flow hedge:

The Group classifies its foreign exchange forward and currency options contracts and interest rate swaps that hedge foreign currency risk associated with highly probable forecasted as cash flow hedges and measures them at fair value. The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the consolidated statement of profit and loss and is included in the 'Other income/expenses' line item. Amounts previously recognised in other comprehensive income and accumulated in equity relating to effective portion (as described above) are reclassified to the consolidated statement of profit and loss in the periods when the hedged item affects consolidated statement of profit and loss, in the same line as the recognised hedged item.

When the hedging instrument expires or is sold or terminated or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain/loss at that time remains in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, the cumulative gain/loss that was reported in equity are immediately reclassified to consolidated statement of profit and loss.

(iv) Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of:

- the amount determined in accordance with the expected credit loss model as per Ind AS 109 – Financial Instruments; and
- the amount initially recognised less, where appropriate, cumulative amount of income recognised in accordance with the principles of Ind AS 115 – Revenue from Contracts with Customers.

The fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations. Where

Notes to the Consolidated Financial Statements

guarantees in relation to loans or other payables of associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

(v) Put option

The potential cash payments related to put options issued by the Group over the equity of subsidiary companies are accounted for as financial liabilities when such options may only be settled by exchange of a fixed amount of cash or another financial asset for a fixed number of shares in the subsidiary.

In the absence of specific guidance under Ind AS 32 – Financial Instruments: Presentation on accounting of such put option (NCI Put Option), initially, the Group recognises the amount that may become payable under the option on exercise at fair value as financial liability. Subsequently, the Group recognises the change in fair value of the option, with a corresponding charge directly to equity. The Group recognises the cost of writing put options, determined as the excess of the fair value of the options over any consideration received, as a finance cost.

Put option liabilities have been valued based on either:

- Discounted cash flow valuation models; or
- Observable market transactions (e.g., funding rounds and non-controlling interest buy-outs).

In the event that the option expires unexercised, the liability is de-recognised with a corresponding adjustment to equity.

(vi) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

1.3.19 Business combinations

The Group accounts for business combinations using acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all the fair value of the gross assets acquired is concentrated in a single identifiable assets or group of similar identifiable assets. Control exists when the Group is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive. The Group measures goodwill as of the applicable acquisition date at the fair value of the consideration transferred, less the net recognised amount of the identifiable assets acquired and liabilities assumed.

When the fair value of the net identifiable assets acquired and liabilities assumed exceeds the consideration transferred, a bargain purchase gain is recognised immediately in the OCI and accumulates the same in equity as capital reserve where there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase else the gain is directly recognised in equity as capital reserve. Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration. Consideration transferred does not include amounts related to the settlement of pre-existing relationships and employee service-related payments. Any goodwill that arises on account of such business combination is tested annually for impairment.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date. Any gains or losses arising from such re-measurement are recognised in the consolidated statement of profit and loss or OCI, as appropriate.

Any contingent consideration is measured at fair value at the date of acquisition. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not re-measured, and the settlement is accounted for within equity. Otherwise, other contingent consideration is re-measured at fair value at each

Notes to the Consolidated Financial Statements

reporting date and subsequent changes in the fair value of the contingent consideration are recorded in the consolidated profit and loss.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

Transaction costs that the Group incurs in connection with a business combination are expensed as incurred.

Business Combination involving entities or businesses under common control is accounted for using the pooling of interest method.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

1.3.20 Exceptional Items

An item of income or expense which by its size, type or incidence requires disclosure in order to improve an understanding of the performance of the Group is treated as an exceptional item and the same is disclosed in consolidated statement of profit and loss and in the notes forming part of the consolidated financial statements.

1.3.21 Recent accounting pronouncement

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended 31st March, 2025, MCA has notified Ind AS – 117 Insurance Contracts and amendments to Ind AS 116 – Leases, relating to sale and leaseback transactions, applicable to the Company w.e.f. 1st April, 2024. The Group has reviewed the new pronouncements and based on its evaluation has determined that it does not have any significant impact in its Consolidated financial statements.

1.3.22 New and amended standards issued but not effective:

There are no new and amended standards that are issued, but not yet effective as of 31st March, 2025.

Notes to the Consolidated Financial Statements

Annexure 'A' to Note 1: List of Subsidiaries and Associates

Sr. No.	Name of the Entity	Country of Incorporation	% Ownership Interest		With effect from
			As at 31st March, 2025	As at 31st March, 2024	
a.	**Subsidiaries (held directly)**				
1	Goldencross Pharma Limited	India	100%	100%	14/05/2010
2	Meditab Specialities Limited	India	100%	100%	01/10/2010
3	Cipla Medpro South Africa (Pty) Limited	South Africa	100%	100%	15/07/2013
4	Cipla Holding B.V.	Netherlands	100%	100%	28/08/2013
5	Cipla Pharma and Life Sciences Limited	India	100%	100%	24/07/2014
6	Cipla (EU) Limited	United Kingdom	100%	100%	27/01/2011
7	Saba Investment Limited [1]	UAE	-	-	02/10/2014
8	Jay Precision Pharmaceuticals Private Limited	India	60%	60%	26/02/2015
9	Cipla Health Limited	India	100%	100%	27/08/2015
10	Cipla Pharmaceuticals Limited	India	100%	100%	19/11/2019
11	Cipla Digital Health Limited	India	100%	100%	25/02/2022
b.	**Subsidiaries (held indirectly)**				
12	Cipla Australia Pty Limited	Australia	100%	100%	04/03/2011
13	Medispray Laboratories Private Limited	India	100%	100%	01/10/2010
14	Sitec Labs Limited	India	100%	100%	01/10/2010
15	Meditab Holdings Limited	Mauritius	100%	100%	01/10/2010
16	Cipla USA Inc.	USA	100%	100%	12/09/2012
17	Cipla Kenya Limited	Kenya	100%	100%	08/10/2012
18	Cipla Malaysia Sdn. Bhd.	Malaysia	100%	100%	20/03/2013
19	Cipla Europe NV	Belgium	100%	100%	30/09/2013
20	Cipla Quality Chemical Industries Limited [2]	Uganda	-	-	20/11/2013
21	Actor Pharma (Pty) Limited [3]	South Africa	100%	100%	07/02/2024
22	Mexicip S.A. de C.V. [4]	Mexico	100%	100%	22/01/2024
23	Cipla Dibcare (Pty) Limited [5]	South Africa	-	100%	15/07/2013
24	Cipla Medpro Manufacturing (Pty) Limited	South Africa	100%	100%	15/07/2013
25	Cipla Medpro (Pty) Limited	South Africa	100%	100%	15/07/2013
26	Cipla Medpro Distribution Centre (Pty) Limited	South Africa	100%	100%	15/07/2013
27	Cipla Medpro Botswana (Pty) Limited	Botswana	100%	100%	15/07/2013
28	Cipla Select (Pty) Limited	South Africa	100%	100%	15/07/2013
29	Medpro Pharmaceutica (Pty) Limited	South Africa	100%	100%	15/07/2013
30	Breathe Free Lanka (Private) Limited	Sri Lanka	100%	100%	16/06/2014
31	Cipla Medica Pharmaceutical and Chemical Industries Limited [1]	Yemen	-	-	02/10/2014
32	Cipla Brasil Importadora E Distribuidora de Medicamentos Ltda.	Brazil	100%	100%	11/05/2015
33	Cipla Maroc SA [6]	Morocco	75.1%	75.1%	08/05/2015
34	Cipla Middle East Pharmaceuticals FZ-LLC [1]	UAE	-	-	31/05/2015
35	Cipla Philippines Inc. [7]	Philippines	-	100%	06/01/2016
36	InvaGen Pharmaceuticals Inc.	USA	100%	100%	17/02/2016
37	Exelan Pharmaceuticals Inc.	USA	100%	100%	17/02/2016
38	Cipla Algérie	Algeria	40%	40%	06/06/2016
39	Cipla Technologies LLC [8]	USA	-	-	13/11/2017
40	Cipla Gulf FZ-LLC	UAE	100%	100%	10/10/2018
41	Mirren (Pty) Limited	South Africa	100%	100%	22/10/2018
42	Madison Pharmaceuticals Inc. [9]	USA	-	-	26/10/2018
43	Cipla Colombia SAS	Colombia	100%	100%	25/04/2019
44	Cipla (China) Pharmaceutical Co., Ltd.	China	100%	100%	20/05/2019
45	Cipla (Jiangsu) Pharmaceutical Co., Ltd. [10]	China	100%	93.10%	08/08/2019
46	Cipla Therapeutics Inc.	USA	100%	100%	15/05/2020
47	Aspergen Inc.	USA	60%	60%	30/08/2022

Notes to the Consolidated Financial Statements

Sr. No.	Name of the Entity	Country of Incorporation	% Ownership Interest As at 31st March, 2025	% Ownership Interest As at 31st March, 2024	With effect from
c.	**Associates (held directly)**				
48	AMP Solar Power Systems Private Limited	India	26%	26%	12/06/2019
49	GoApptiv Private Limited [11]	India	22.99%	22.99%	27/07/2020
50	AMP Energy Green Eleven Private Limited	India	32.49%	32.49%	08/02/2022
51	Clean Max Auriga Power LLP	India	33%	33%	14/12/2021
52	Achira Labs Private Limited	India	21.05%	21.05%	17/08/2022
d.	**Associates (held indirectly)**				
53	Stempeutics Research Private Limited	India	34.36%	33.18%	01/10/2010
54	Brandmed (Pty) Limited	South Africa	30%	30%	24/04/2019
55	Iconphygital Private Limited	India	22.99%	22.99%	03/05/2021
56	Pactiv Healthcare Private Limited [12]	India	22.99%	22.99%	26/07/2023
57	MKC Biotherapeutics Inc. [13]	USA	34.40%	35.20%	27/02/2024
e.	**Other consolidating entities**				
58	Cipla Employee Stock Option Trust (Deregistered)	India	-	-	09/10/2015
59	Cipla Health Employee Stock Option Trust	India	100%	100%	14/03/2016
60	The Cipla Empowerment Trust	South Africa	100%	100%	30/06/2022

1. Ceased to be subsidiaries w.e.f. 29th September, 2023
2. Ceased to be a subsidiary w.e.f. 14th November, 2023
3. Equity stake acquired w.e.f. 07th February, 2024
4. Wholly owned subsidiary incorporated w.e.f. 22nd January, 2024
5. Dissolved w.e.f 26th June, 2024
6. Additional stake of 15.1% acquired by Cipla (EU) Ltd w.e.f. from 23rd November, 2023
7. Dissolved retrospectively w.e.f 31st March, 2024
8. Entity has been merged with Cipla USA Inc. w.e.f. 31st March, 2024
9. Dissolved w.e.f. 28th April, 2023
10. Additional equity stake of 6.91% acquired by Cipla (EU) Ltd w.e.f. 25th October, 2024 and additional capital infusion in Cipla (Jiangsu) Pharmaceutical Co., Ltd. through loan conversion w.e.f. 29th December, 2023
11. Stake increased from 22.02% to 22.99% w.e.f. 31st January, 2024
12. Wholly owned subsidiary of GoApptiv Private Limited w.e.f. 26th July, 2023
13. Stake changed from 35.20% to 34.40% w.e.f. 27th September, 2024. Incorporated w.e.f. 27th February, 2024

Notes to the Consolidated Financial Statements

Note 2.1: (a) Property, plant and equipment

₹ in Crores

Particulars	Freehold land[iv]	Leasehold building improvements	Buildings and flats[i & iv]	Plant and Equipment	Furniture and fixtures	Office Equipment	Vehicles	Total
Gross carrying value								
As at 1st April, 2023	**89.66**	**272.02**	**2,598.41**	**5,930.11**	**159.33**	**109.27**	**9.50**	**9,168.30**
Additions through business combination (refer note 57)	-	-	-	0.39	1.25	0.18	0.12	1.94
Additions for the year	-	-	92.57	754.15	14.17	21.36	1.53	883.78
Transfer to assets of disposal group classified as held for sale {refer note 2.3}	-	-	(0.09)	(177.92)	(1.62)	(1.30)	-	(180.93)
Transfer to Investment property (refer note 3)	-	-	(64.49)	(0.77)	(0.92)	(1.22)	-	(67.40)
Deletions and adjustments during the year	-	-	(6.24)	(101.99)	(4.91)	2.73	(0.54)	(110.95)
Divestment of subsidiaries (refer note 58)	(8.09)	-	(82.37)	(92.34)	(3.74)	(0.37)	(0.73)	(187.64)
Foreign currency translations adjustments	0.17	(2.68)	(2.44)	(6.99)	0.23	0.45	(0.08)	(11.34)
As at 31st March, 2024	**81.74**	**269.34**	**2,535.35**	**6,304.64**	**163.79**	**131.10**	**9.80**	**9,495.76**
Additions through business combination (refer note 57)	-	-	-	-	-	0.03	-	0.03
Additions for the year	5.36	-	55.81	697.11	13.34	29.86	1.21	802.69
Transfer from assets of disposal group classified as held for sale {refer note 2.3}	-	-	0.09	40.01	0.68	0.18	-	40.96
Transfer from Investment property (refer note 3)	-	-	0.34	-	-	-	-	0.34
Deletions and adjustments during the year	-	-	(3.45)	(127.11)	(3.22)	(7.18)	(0.36)	(141.32)
Foreign currency translations adjustments	0.34	11.57	12.18	38.99	0.92	(0.95)	0.12	63.17
As at 31st March, 2025	**87.44**	**280.91**	**2600.32**	**6,953.64**	**175.51**	**153.04**	**10.77**	**10,261.63**
Accumulated depreciation and impairment								
As at 1st April, 2023	**-**	**172.86**	**604.16**	**3,616.61**	**102.82**	**82.29**	**5.96**	**4,584.70**
Depreciation charge for the year	-	15.54	82.83	495.39	11.53	8.87	1.92	616.08
Impairment charge for the year	-	-	0.50	39.22	0.50	0.12	-	40.34
Additions through business combination (refer note 57)	-	-	-	0.35	1.23	0.16	0.12	1.86
Transfer to assets of disposal group classified as held for sale {refer note 2.3}	-	-	(0.06)	(131.98)	(1.19)	(1.18)	-	(134.41)
Transfer to Investment property (refer note 3)	-	-	(8.56)	(0.65)	(0.75)	(1.15)	-	(11.11)
Deletions and adjustments during the year	-	-	2.88	(78.95)	(3.59)	(0.15)	(0.50)	(80.31)
Divestment of subsidiaries (refer note 58)	-	-	(50.08)	(91.08)	(3.44)	(0.32)	(0.73)	(145.65)
Foreign currency translations adjustments	-	(3.01)	(0.68)	(13.96)	0.01	1.07	(1.11)	(17.68)
As at 31st March, 2024	**-**	**185.39**	**630.99**	**3,834.95**	**107.12**	**89.71**	**5.66**	**4,853.82**
Depreciation charge for the year	-	13.83	79.39	517.71	11.66	12.81	0.90	636.30
Impairment charge for the year	-	-	0.48	3.20	-	-	-	3.68
Transfer from assets of disposal group classified as held for sale {refer note 2.3}	-	-	0.06	34.23	0.45	0.16	-	34.90
Transfer from Investment property (refer note 3)	-	-	0.07	-	-	-	-	0.07
Deletions and adjustments during the year	-	-	(2.16)	(101.85)	(2.95)	(6.67)	(0.33)	(113.96)
Foreign currency translations adjustments	-	7.94	3.24	21.91	0.32	(0.57)	0.10	32.94
As at 31st March, 2025	**-**	**207.16**	**712.07**	**4,310.15**	**116.60**	**95.44**	**6.33**	**5,447.75**
Net carrying value as at 31st March, 2025	**87.44**	**73.75**	**1,888.25**	**2,643.49**	**58.91**	**57.60**	**4.44**	**4,813.88**
Net carrying value as at 31st March, 2024	**81.74**	**83.95**	**1,904.36**	**2,469.69**	**56.67**	**41.39**	**4.14**	**4,641.94**

i. The gross value of buildings and flats includes the cost of shares in co-operative housing societies.

ii. The above additions to Property, plant and equipments during the year includes ₹ 32.63 Crores (31st March, 2024: ₹ 40.89 Crores) used for research and development.

iii. The impairment charge for the year ₹ 3.68 Crores (31st March, 2024: ₹ 40.34 Crores), includes impairment charge on certain assets that has been assessed as non-usable by the management and has been recorded at scrap value less cost to sell.

iv. The title deeds of the immovable properties are held in the name of entities included in group, covered under the Act.

v. The Group has not revalued its property, plant and equipment.

vi. A notarial bond over all movable assets of ₹ 611.98 Crores (31st March, 2024: ₹ 568.10 Crores) has been held as security for short-term borrowings of Cipla Medpro South Africa (Pty) Limited of ₹ Nil (31st March, 2024: ₹ 91.77 crores)

Notes to the Consolidated Financial Statements

Note 2.1: (b) Details of Capital work-in-progress (CWIP)

₹ in Crores

Particulars	As at 31st March, 2025	As at 31st March, 2024
Opening balance	**864.32**	**689.17**
Additions during the year	1,167.71	1,017.45
Deletions during the year	(10.48)	-
Capitalised during the year	(802.69)	(820.21)
Impairment during the year [i]	(10.92)	(13.34)
Transfer from/(to) assets of disposal group classified as held for sale {refer note 2.3}	0.02	(2.44)
Foreign currency translations adjustments	4.80	(6.31)
Closing balance	**1,212.76**	**864.32**

i. The impairment loss relates to certain capital work-in-progress that has been assessed as non-usable by the management and has been recorded at the scrap value less cost to sell.

ii. Capital work-in-progress Ageing schedule :

The table below provides details regarding the capital work-in-progress ageing schedule as of 31st March, 2025:

₹ in Crores

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	813.66	296.20	89.70	13.20	1,212.76
Projects temporarily suspended	-	-	-	-	-
Total	**813.66**	**296.20**	**89.70**	**13.20**	**1,212.76**

The table below provides details regarding the capital work-in-progress ageing schedule as of 31st March, 2024:

₹ in Crores

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	585.62	217.43	21.52	39.75	864.32
Projects temporarily suspended	-	-	-	-	-
Total	**585.62**	**217.43**	**21.52**	**39.75**	**864.32**

iii. Capital work-in-progress completion schedule

There are no capital work-in-progress, whose completion is either overdue or has exceeded its cost compared to its original plan as on 31st March, 2025 and 31st March, 2024.

iv. Capital work-in-progress includes :

₹ 40.76 Crores (31st March, 2024: ₹ 8.88 Crores) capitalised for the expenses incurred directly attributable to projects.

v. For projects which are under legal proceedings as at 31st March, 2025 and 31st March, 2024 - Refer note 45

Notes to the Consolidated Financial Statements

Note 2.2: Right-of-use assets

Where Group is lessee:

Following are the changes in the carrying value of right-of-use assets:

₹ in Crores

Particulars	Category of ROU asset				
	Land	Buildings and Flats	Computers	Plant and Equipment	Total
Balance recognised as at 1st April, 2023	**160.91**	**245.74**	**0.13**	**0.40**	**407.18**
Additions during the year	0.19	109.07	-	-	109.26
Deletions, modifications and adjustments during the year	-	(1.29)	-	-	(1.29)
Depreciation charge for the year	(4.53)	(80.45)	(0.13)	(0.04)	(85.15)
Translation difference	(0.64)	(2.33)	-	-	(2.97)
Balance as at 31st March, 2024	**155.93**	**270.74**	**-**	**0.36**	**427.03**
Additions during the year	-	102.49	-	-	102.49
Deletions, modifications and adjustments during the year	0.04	(0.50)	-	-	(0.46)
Depreciation charge for the year	(4.31)	(86.28)	-	(0.04)	(90.63)
Translation difference	0.44	9.51	-	-	9.95
Balance as at 31st March, 2025	**152.10**	**295.96**	**-**	**0.32**	**448.38**

i. The lease agreements for immovable properties where the entities included in group is the lessee, are duly executed in favour of entities included in group, covered under the Act.

ii. The Group has not revalued its Right-of-use assets.

iii. The weighted average incremental borrowing rate applied to lease liabilities is in the range of 4% to 12.45% (31st March, 2024: 3.5% to 12.45%).

Note 2.2: Right-of-use assets (Contd..)

The following is the break-up of current and non-current lease liabilities:

₹ in Crores

Particulars	As at 31st March, 2025	As at 31st March, 2024
Current lease liabilities	105.60	86.97
Non-current lease liabilities	240.49	225.42
Total	**346.09**	**312.39**

The following is the movement in lease liabilities:

₹ in Crores

Particulars	As at 31st March, 2025	As at 31st March, 2024
Opening balance	**312.39**	**282.76**
Additions during the year	102.49	109.07
Deletions, modifications and adjustments during the year	(0.61)	(1.33)
Finance cost accrued during the year (refer note 37)	23.02	21.11
Payment of lease liabilities (outflow)	(103.25)	(97.94)
Translation difference	12.05	(1.28)
Closing balance	**346.09**	**312.39**

The above movement in lease liability is also the reconciliation of borrowings as per Indian Accounting Standard (Ind AS) 7- Statement of Cash Flows.

Note 2.2: Right-of-use assets (Contd..)

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

₹ in Crores

Particulars	As at 31st March, 2025	As at 31st March, 2024
Less than one year	116.06	96.28
One to five years	267.79	215.39
More than five years	75.55	103.96
Sub-total	**459.40**	**415.63**
Less: Financial component	(113.31)	(103.24)
Total	**346.09**	**312.39**

Right-of-use assets	Range of remaining term	
	As at 31st March, 2025	As at 31st March, 2024
Land	5 to 94 years	5 to 95 years
Buildings and Flats	0 to 10 years	0 to 10 years
Plant and Equipments	8 years	9 years

Notes to the Consolidated Financial Statements

Note 2.2: Right-of-use assets (Contd..)

Rental expense recorded for short-term and low-value leases was ₹ 111.84 crores for the year ended 31st March, 2025 (31st March, 2024: ₹ 92.65 crores).

The aggregate depreciation on Right-of-use assets has been included under depreciation and amortisation expense in the Consolidated Statement of Profit and Loss.

Where Group is lessor -

The Group has given certain premises under operating lease or leave and license agreement. The Group retains substantially all risks and benefits of ownership of the leased asset and hence classified as operating lease. Lease income on such operating lease is recognised in profit or loss under 'Rent' in Note 32 - Other income.

Note 2.3: Assets of disposal group classified as held for sale

₹ in Crores

Particulars	As at 31st March, 2025	As at 31st March, 2024
Property, plant and equipment*	37.32	46.52
Capital work-in-progress	2.23	2.44
Total	**39.55**	**48.96**

*Net of accumulated depreciation, amortisation and movement during the year

Movement of Asset Classified as held for Sale

₹ in Crores

Particulars	As at 31st March, 2025	As at 31st March, 2024
Opening balance	48.96	469.89
Transfer (to)/ from property, plant and equipment	(6.06)	46.52
Transfer (to)/ from capital work-in-progress	(0.02)	2.44
Disposal group sold during the year	-	(469.89)
Impairment during the year (refer note 38)	(3.33)	-
Closing balance	**39.55**	**48.96**

During previous year, the Holding company committed to plan to sell part of manufacturing facility at Goa. Accordingly, part of that facility is presented as a disposal group held for sale as of 31st March, 2024. In current year, asset sale agreement has been signed and assets will be derecognised in next financial year based on conditions as specified in agreement.

Note 3: Investment properties

₹ in Crores

Particulars	As at 31st March, 2025	As at 31st March, 2024
Gross carrying value		
Opening balance	**139.23**	**71.83**
Transfer (to)/from property, plant and equipment (refer note 2.1 {a})	(0.34)	67.40

Note 3: Investment properties (Contd..)

₹ in Crores

Particulars	As at 31st March, 2025	As at 31st March, 2024
Disposals and other adjustment during the year	(0.42)	-
Closing balance	**138.47**	**139.23**
Accumulated depreciation		
Opening balance	**25.62**	**12.00**
Transfer (to)/from property, plant and equipment (refer note 2.1 {a})	(0.07)	11.11
Depreciation for the year (refer note 38)	2.07	2.51
Disposals during the period	(0.40)	-
Closing balance	**27.22**	**25.62**
Net carrying value	**111.25**	**113.61**
Fair Value	**187.80**	**179.20**

Rental income recognised in profit or loss for investment properties aggregates to ₹ 14.21 Crores (31st March, 2024: ₹ 12.97 Crores).

Details of total direct operating expenses on investment property:

₹ in Crores

Particulars	As at 31st March, 2025	As at 31st March, 2024
Income-generating property	0.69	0.69
Vacant property	-	-
Total	**0.69**	**0.69**

During the previous year, a building was transferred from Property, plant and equipment because it was not used to the full capacity by the Company and it was decided that the building would be leased to third party.

Estimation of fair value

The fair valuation of the assets is based on the perception about the macro and micro economics factors presently governing the construction industry, location of property, existing market conditions, degree of development of infrastructure in the area, demand supply conditions, internal amenities, common amenities, etc.

This value is based on valuation conducted by an external valuation specialist who is registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017.

Minimum lease payments receivable on leases of investment properties are as follows:

₹ in Crores

Particulars	As at 31st March, 2025	As at 31st March, 2024
Less than one year	5.89	12.52
One to five years	-	57.08
More than five years	-	-
Total	**5.89**	**69.60**

Notes to the Consolidated Financial Statements

Note 4: Goodwill

Movement in Goodwill during the year ended:

₹ in Crores

Particulars	As at 31st March, 2025	As at 31st March, 2024
Opening balance	**3,112.04**	**2,983.86**
Recognised on business combinations (refer note below)	23.62	147.37
Other adjustments*	6.31	-
Foreign currency translation adjustments	128.30	(19.19)
Closing balance	**3,270.27**	**3,112.04**

*Adjustment on account of revision in purchase price allocation for acquisition of Actor Pharma (Pty.) Ltd.

For impairment testing, goodwill is allocated to the cash generating units (CGUs) which represents the lowest level within the group at which goodwill is monitored for internal management purposes.

Goodwill acquired in business combination, is allocated to the following CGUs that are expected to benefit from that business combination:

₹ in Crores

Particulars	As at 31st March, 2025	As at 31st March, 2024
United States of America	2,068.18	2,018.10
South Africa (refer note 57)	1,100.29	1,015.54
Others	101.80	78.40
Total	**3,270.27**	**3,112.04**

The Group's goodwill on consolidation is tested for impairment annually or more frequently if there are indications that goodwill might be impaired.

Current year :

Goodwill recognised during the year includes an amount of ₹ 23.62 Crores relates to acquisition of distribution and marketing business undertaking of cosmetics and personal care business from Ivia Beaute Private Limited by Cipla Health Limited, a wholly owned subsidiary of the Company (refer note 57).

Previous year :

Goodwill recognized during the previous year amounting to ₹ 147.37 Crores relates to acquisition of Actor Pharma (Pty.) Ltd. by Cipla Medpro South Africa (Pty.) Ltd., a wholly owned subsidiary of the Holding Company (refer note 57).

Note 4: Goodwill (Contd..)

The recoverable amounts of the above cash generating units have been assessed using a value in use model. Value in use is generally calculated as the net present value of the projected post-tax cash flows plus a terminal value of the cash generating unit to which the goodwill is allocated. Initially, a post-tax discount rate is applied to calculate the net present value of the post-tax cash flows.

Key assumptions upon which the Group has based its determinations of value in use includes:

a) The Group prepares its cash flow forecast for five years based on management's projections.

b) A terminal value is arrived at by extrapolating the last forecasted year cashflows to perpetuity, using a constant long-term growth rate ranging from 2% to 7.30% (31st March, 2024: 2% to 7.30%)

c) **Growth rates**

The growth rates are based on industry growth forecasts. Management determines the budgeted growth rates based on past performance and its expectations of market development. The weighted average growth rates used were consistent with industry reports ranging from 0% to 25% as at 31st March, 2025 (31st March, 2024: 0% to 30%)

d) **Discount rates**

Management estimates discount rates that reflect current market assessments of the risks specific to the CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from its weighted average cost of capital (WACC) ranging from 12% to 15% as at 31st March, 2025 (31st March, 2024: 12% to 15.50%).

The Group believes that any reasonably possible change in the key assumptions on which a recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash generating units.

e) **Sensitivity**

Reasonable sensitivities in key assumptions consequent to the change in estimated growth rate and discount rate is unlikely to cause the carrying amount to exceed the recoverable amount of the cash generating units.

Note 5: Other Intangible assets

₹ in Crores

Particulars	Software	Marketing intangibles	Technical know-how	Trademarks	Licences, Patents and Copyrights	Brands	Non Compete	Customer Relationships / Distribution Network	Total
Gross carrying value									
As at 1st April, 2023	**271.70**	**3,377.96**	**15.10**	**703.59**	**20.38**	**102.30**	**-**	**-**	**4,491.03**
Acquisition through business combinations (refer note 57)	-	-	-	-	-	227.76	11.50	43.20	282.46

Notes to the Consolidated Financial Statements

Note 5: Other Intangible assets (Contd..)

₹ in Crores

Particulars	Software	Marketing intangibles	Technical know-how	Trademarks	Licences, Patents and Copyrights	Brands	Non Compete	Customer Relationships / Distribution Network	Total
Additions for the year (acquired separately)	15.36	176.19	-	46.42	-	-	-	-	237.97
Deletions and adjustments for the year	7.22	-	-	(0.63)	(8.79)	-	-	-	(2.20)
Foreign currency translations adjustments	(1.04)	2.17	0.07	(22.24)	(0.57)	0.54	-	-	(21.07)
Divestment of Subsidiaries (refer note 58)	-	(63.51)	(4.46)	-	-	(36.28)	-	-	(104.25)
As at 31st March, 2024	**293.24**	**3,492.81**	**10.71**	**727.14**	**11.02**	**294.32**	**11.50**	**43.20**	**4,883.94**
Acquisition through business combinations (refer note 57)	-	-	9.70	-	-	74.50	9.19	9.01	102.40
Additions for the year (acquired separately)	12.36	201.96	18.03	15.00	-	-	-	-	247.35
Deletions and adjustments for the year*	(1.83)	(42.76)	-	-	-	(8.65)	-	-	(53.24)
Foreign currency translations adjustments	2.77	112.68	-	34.69	0.78	17.59	0.89	3.34	172.74
As at 31st March, 2025	**306.54**	**3,764.69**	**38.44**	**776.83**	**11.80**	**377.76**	**21.58**	**55.55**	**5,353.19**
Accumulated amortisation and impairment									
As at 1st April, 2023	**251.49**	**2,656.01**	**9.83**	**372.86**	**18.03**	**56.80**	**-**	**-**	**3,365.02**
Amortisation charge for the year	15.23	152.46	1.21	47.93	2.78	16.57	0.42	1.27	237.87
Impairment charge for the year	-	53.23	-	-	-	-	-	-	53.23
Deletions and adjustments for the year	7.93	0.07	-	0.51	(9.58)	-	-	-	(1.07)
Foreign currency translations adjustments	(1.60)	22.05	0.07	(14.67)	(0.60)	0.29	-	(0.01)	5.53
Divestment of Subsidiaries (refer note 58)	-	(63.51)	(4.46)	-	-	(21.27)	-	-	(89.24)
As at 31st March, 2024	**273.05**	**2,820.31**	**6.65**	**406.63**	**10.63**	**52.39**	**0.42**	**1.26**	**3,571.34**
Amortisation charge for the year	11.80	164.97	3.36	49.14	0.20	22.66	4.17	10.15	266.45
Impairment charge for the year (refer note 5.1)	-	48.60	-	0.74	-	-	-	-	49.34
Deletions and adjustments for the year	(0.23)	(5.51)	-	-	-	-	-	-	(5.74)
Foreign currency translations adjustments	2.26	80.30	-	25.37	0.96	0.17	0.03	0.10	109.19
As at 31st March, 2025	**286.88**	**3,108.67**	**10.01**	**481.88**	**11.79**	**75.22**	**4.62**	**11.51**	**3,990.58**
Net carrying value as at 31st March, 2025	**19.66**	**656.02**	**28.43**	**294.95**	**0.01**	**302.54**	**16.96**	**44.04**	**1,362.61**
Net carrying value as at 31st March, 2024	**20.19**	**672.50**	**4.06**	**320.51**	**0.39**	**241.93**	**11.08**	**41.94**	**1,312.60**

i. The Group has not revalued its intangible assets.

*Includes adjustment on account of revision in purchase price allocation for acquisition of Actor Pharma (Pty.) Ltd.

Intangible assets under development

₹ in Crores

Particulars	As at 31st March, 2025	As at 31st March, 2024
Opening balance	**288.40**	**404.13**
Additions during the year	256.65	268.61
Capitalised during the year	(153.87)	(202.13)
Impairment charge during the year	(44.23)	(2.50)
Exceptional item: refer note 39(b)	-	(183.19)
Foreign currency translations adjustments	6.56	3.48
Closing balance	**353.51**	**288.40**

Notes to the Consolidated Financial Statements

Note 5.1: Impairment charge during the year

Due to change in market conditions and dynamics for certain products, the carrying amount of certain intangible assets and intangible assets under development relating to US generics, Emerging market and Europe business, the Group has recorded an impairment charge of ₹ 93.57 crores (31st March, 2024: ₹ 238.92 crores) in consolidated profit and loss. (refer note 39 (b)).

Note 5.2: Acquisition/capitalisation of intangibles

a) Significant acquisitions/capitalisation during current year

Product	Group Entity	Date of agreement/ completion/launch date	₹ in Crores	Type of deal
Lanreotide	Cipla USA Inc	23rd May, 2024	94.10	Capitalisation of Pharmathen SA Lanreotide ANDA
Amoxicillin and Clavulanic acid	Cipla Limited	2nd July, 2024	45.98	Acquisition of Amoxicillin from Wockhardt Bio AG

b) Significant acquisitions/capitalisation during previous year

Product	Group Entity	Date of agreement/ completion/launch date	₹ in Crores	Type of deal
Galvus	Cipla Limited	10th April, 2023	77.00	Acquisition of Galvus from Novartis
Lurasidone	InvaGen Pharmaceuticals Inc.	30th September, 2023	45.73	Product launched which was acquired with InvaGen Pharmaceuticals Inc.
Mexohar	Cipla Limited	31st March, 2024	32.07	Acquisition of Trademark - Mexohar

The Group has recorded the acquired assets as Intangible assets under Ind AS 38 - Intangible Assets on the assessment that fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets which is controlled by the group and future economic benefits are probable.

Contingent consideration (on achievement of sale target as per agreement)

As at 31st March, 2025 and 31st March, 2024, the fair value of the contingent consideration was assessed as ₹ Nil in respect of acquired intangibles as the sales targets are not probable and estimable. Determination of the fair value as at balance sheet date is based on discounted cash flow method. Contingent consideration is arrived at, basis weighted average probability approach of achieving various financial and non-financial performance targets. Basis the future projections and the performance of the products, the contingent consideration is subject to revision on a yearly basis.

Note 5.3: Intangible assets under development ageing

The table below provides details regarding the Intangible assets under development ageing schedule as of 31st March, 2025:

₹ in Crores

Particulars	Amount in intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	120.99	129.48	46.06	56.98	353.51
Projects temporarily suspended	-	-	-	-	-
Total	**120.99**	**129.48**	**46.06**	**56.98**	**353.51**

The table below provides details regarding the Intangible assets under development ageing schedule as of 31st March, 2024:

₹ in Crores

Particulars	Amount in intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	140.08	53.72	43.05	51.55	288.40
Projects temporarily suspended	-	-	-	-	-
Total	**140.08**	**53.72**	**43.05**	**51.55**	**288.40**

There are no intangible assets under development, whose completion is either overdue or has exceeded its cost compared to its original plan as on 31st March, 2025 and 31st March, 2024.

Notes to the Consolidated Financial Statements

Note 6: Investment in associates

₹ in Crores

Particulars	As at 31st March, 2025 No.'s/%	As at 31st March, 2025	As at 31st March, 2024 No.'s/%	As at 31st March, 2024
Carrying amount determined using equity method of accounting				
A. Investments in unquoted equity instruments				
Equity shares of Brandmed (Pty) Limited, fully paid	375	20.20	375	19.83
Equity shares of Stempeutics Research Private Limited of ₹ 10 each, fully paid[%]	2,18,58,803	-	2,05,02,525	-
Equity shares of GoApptiv Private Limited of ₹ 10 each, fully paid[$]	13,449	19.92	13,449	20.10
Equity shares of Achira Labs Private Limited	1,04,074	0.84	1,04,074	0.86
Equity shares of AMPSolar Power Systems Private Limited of ₹ 10 each, fully paid	1,01,800	0.01	1,01,800	0.01
Equity shares of AMP Energy Green Eleven Private Limited of ₹ 10 each, fully paid	7,50,000	0.08	7,50,000	0.08
B. Investments in compulsory convertible preference shares (CCPS)				
CCPS of GoApptiv Private Limited of ₹ 10 each, fully paid[$]	47,121	59.20	47,121	59.85
CCPS of Achira Labs Private Limited of ₹ 10 each, fully paid	10,32,949	21.27	10,32,949	21.51
C. Investments in optionally convertible (redeemable) preference shares (OCPS)				
OCPS of Achira Labs Private Limited of ₹ 10 each, fully paid[&]	60,00,000	4.62	-	-
D. Investments in debentures				
0.01% Compulsory Convertible Debentures of AMPSolar Power Systems Private Limited of ₹ 1,000 each, fully paid	1,00,742	1.11	1,00,742	0.99
0.01% Compulsory Convertible Debentures of AMP Energy Green Eleven Private Limited of ₹ 1,000 each, fully paid	67,500	0.76	67,500	0.68
E. Investment in Limited Liability Partnership (LLP)				
Clean Max Auriga Power LLP	33%	5.86	33%	6.14
F. Investment in Others				
MKC Biotherapeutics Inc.[@]	34.4%	6.60	-	-
		140.47		**130.05**
Aggregate amount of unquoted investments		140.47		130.05
Aggregate amount of impairment in value of investments		-		-

Notes for changes in current year:

[&]On 15th May, 2024, the Holding Company has entered into definitive agreements for further investment of upto ₹ 26 crores in four tranches upon completion of mutually agreed milestones under the definitive agreements. The first tranche of investment amounting to ₹ 6 crores into 60,00,000 Optionally Convertible (redeemable) Preference Shares (OCPS) of face value of ₹ 10 per share has been completed in current year. The OCPS shall carry a preferential cumulative compounded dividend at rate of 0.0001% per annum and the Holding company has right to convert it or redeem as per terms as specified in the agreement.

[@]Joint venture agreement entered between Cipla (EU) Limited, wholly owned subsidiary of the Company, with Kemwell Biopharma UK Limited and MNI Ventures ("JV Partners") with effective date of incorporation of 27th February 2024. The Group has made an investment of ₹ 14.32 Crores in MKC Biotherapeutics Inc. (Joint venture entity) in current year for a stake of 34.4%.

[%]Meditab Specialities Limited, a wholly owned subsidiary of the Holding Company, has made an additional investment of ₹ 10.31 crores, leading to its cumulative stake of 34.36% on a fully diluted basis.

Notes for changes in previous year:

[$]The Holding Company, on 14th December, 2023 has entered into a definitive agreement for acquisition of additional stake in GoApptiv Private Limited for a total consideration of ₹ 42 crores leading to cumulative holding of 22.99% stake on fully diluted basis effective from 2nd February, 2024.

Standalone financial information of associates :

₹ in Crores

Particulars	Place of Business	% of Ownership interest		Accounting Method	Quoted fair value		Carrying value	
		31st March, 2025	31st March, 2024		31st March, 2025	31st March, 2024	31st March, 2025	31st March, 2024
Material associates :								
GoApptiv Private Limited[1]	India	22.99%	22.99%	Equity	-*	-*	79.12	79.95
Other immaterial associates (refer note below)							61.35	50.10
							140.47	**130.05**

*Unlisted entity- no quoted price available.

[1] GoApptiv Private Limited is an India based start-up providing end to end business solutions for healthcare companies to commercialise and improve access of healthcare product reach in tier 2-6 geographies through engagement with all stakeholders in the value chain leveraging proprietary technology platforms and physical reach.

Notes to the Consolidated Financial Statements

Note 6: Investment in associates (Contd..)

Movement of investment in associates

₹ in Crores

Particulars		As at 31st March, 2025	As at 31st March, 2024
Opening balance		79.95	36.79
Addition during the year (refer note above)		-	42.00
(Loss)/Profit for the year		(0.83)	1.16
Aggregate carrying amount of individually material associates	**(Total)**	**79.12**	**79.95**
Opening balance		50.10	54.11
Addition/unwinding during the year (refer note above)		30.55	(0.10)
Loss for the year		(21.02)	(2.75)
Translation adjustment arising out of translation of foreign currency balances		1.72	(1.16)
Aggregate carrying amount of individually immaterial associates	**(Total)**	**61.35**	**50.10**

Note 6: Investment in associates (Contd..)

GoApptiv Private Limited

₹ in Crores

Particulars	As at 31st March, 2025	As at 31st March, 2024
Current assets	711.98	494.91
Non-current assets	43.39	22.53
Current liabilities	(464.90)	(239.34)
Non-current liabilities	(21.45)	(7.08)
Equity	**269.02**	**271.02**
Group ownership	22.99%	22.99%
Equity proportion of the Group ownership	61.85	62.31
Goodwill	17.27	17.64
Carrying amount of the investment	79.12	79.95

₹ in Crores

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Revenue from operations	1,612.60	1,137.77
Profit/(loss) for the year	(3.61)	5.05
Total comprehensive income for the year	**(3.61)**	**5.05**
Group's share of profit/(loss) for the year	(0.83)	1.16

Note 7: Non-current financial assets - other investments

₹ in Crores

Particulars	Face value	As at 31st March, 2025 %	As at 31st March, 2024 %	As at 31st March, 2025 Nos.	As at 31st March, 2024 Nos.	As at 31st March, 2025	As at 31st March, 2024
Unquoted investments							
I. Equity Investments							
A. Investments carried at fair value through OCI							
Equity interest in Shanghai Desano Pharmaceuticals Co., Ltd.	¥ 1	16.50%	16.50%	9,55,00,000	9,55,00,000	307.10	341.85
Equity interest in Swasth Digital Health Foundation	₹ 100	4.00%	4.00%	5,000	5,000	0.05	0.05
Equity interest in Ethris GmBH	€ 1	10.35%	10.35%	9,939	9,939	137.59	134.26
B. Equity investment carried at fair value through profit or loss							
Equity shares of Saraswat Co-operative Bank Limited, fully paid ₹ 10,000 (31st March, 2024: ₹ 10,000)	₹ 10	-	-	1,000	1,000	0.00	0.00
II. Other Investments							
A. Investment in Venture Funds carried at fair value through OCI							
Alkemi Venture Fund#		-	-	-	-	6.88	3.66
Early spring fund#		-	-	-	-	7.04	2.62

Notes to the Consolidated Financial Statements

Note 7: Non-current financial assets - other investments (Contd..)

₹ in Crores

Particulars	Face value	As at 31st March, 2025 %	As at 31st March, 2024 %	As at 31st March, 2025 Nos.	As at 31st March, 2024 Nos.	As at 31st March, 2025	As at 31st March, 2024
B. Investments in Limited Liability Partnership at fair value through OCI							
ABCD Technologies LLP @		6.83%	6.45%			40.41	29.72
C. Investment in government securities carried at amortised cost							
National saving certificates ₹ 41,000 (31st March, 2024: ₹ 41,000)						0.00	0.00
						499.07	**512.16**
Aggregate amount of unquoted investments						499.07	512.16
Aggregate amount of impairment in value of investments						-	-

Notes for changes in current year:

@ The Holding Company has made an additional investment of ₹ 10.00 Crores leading to cumulative revise stake of 6.83% in the entity

Notes for changes in previous year:

During the previous year, the Holding Company has entered into a contribution agreement with Alkemi Venture Fund and Early Spring Fund, committing upto lower of ₹ 33.10 Crores or 10% and ₹ 32.88 Crores or 10% of the total capital commitment of the Funds at the final closing date, respectively. The capital commitment need to be paid by the Holding Company upon receiving a drawdown notice from the investment manager. These investments are accounted as fair value through other comprehensive income (FVTOCI) in accordance with Group's election under 'Ind AS 109 - Financial Instruments. Further, the holding company has made an additional investment of ₹ 4.62 Crores in Early spring fund and ₹ 3.22 Crores in Alkemi Venture Fund upon receiving a drawdown notice from the investment manager in the current year.

Note 8: Non-current financial assets - loans

₹ in Crores

Particulars	As at 31st March, 2025	As at 31st March, 2024
(Unsecured, considered good, except otherwise stated)		
(Carried at amortised cost, except otherwise stated)		
Loan to Associate (including interest accrued) (refer note 48) (refer note i below)	4.71	16.98
Loan to Others (including interest accrued) (refer note ii below)	27.83	-
	32.54	**16.98**

(i) Unsecured interest bearing loan at a rate of prime less 1.75%. Repayments start after 31st March, 2025 and the loan term ends on 31st March, 2028.

(ii) During the year, persuant to agreement dated 6th June, 2024 the Cipla (EU) Limited, wholly owned subsidiary, have granted a convertible loan to Ethris GmbH with a nominal value of EUR 3 million, bearing interest at 8% per annum and maturity date of 2 years from the date of agreement. Under the terms of agreement, both the principal and accrued interest are convertible into equity at the option of Cipla (EU) Limited or upon occurrence of certain future events.

Note 9: Non-current financial assets - others

₹ in Crores

Particulars	As at 31st March, 2025	As at 31st March, 2024
(Carried at amortised cost, except otherwise stated)		
Margin deposits*	6.26	5.86
Fixed Deposits with banks (having remaining maturity more than 12 months)	171.33	410.85
Security deposit	85.63	75.20
Fair value of derivative designated as Hedge - FVOCI		
- Forward contracts	7.99	0.11
- Options	2.77	-
Fair value of derivative not designated as Hedge - FVTPL		
- Forward contracts	1.00	5.81
- Currency Swaps	-	2.39
Amount recoverable from supplier	8.48	8.34
	283.46	**508.56**

*Amount held as margin money under lien to tax authority and electricity department.

Notes to the Consolidated Financial Statements

Note 10: Income taxes

The major components of income tax expense for the years ended 31st March, 2025 and 31st March, 2024 are:

₹ in Crores

Particulars	As at 31st March, 2025	As at 31st March, 2024
(A) Profit or loss section		
Current income tax charge	1,863.96	1,696.84
MAT credit utilisation/entitlement	0.49	1.33
Adjustment in respect Current/ Deffered Tax charge of previous year	2.36	6.15
Reversal of current tax of earlier years*	(155.61)	-
Deferred tax credit/reversal on account of temporary differences	(181.44)	(157.73)
	1,529.76	**1,546.59**
*Includes tax provision relating to earlier years amounting to ₹ 155.61 Crores, as an outcome of favourable ITAT order and completion of assessments for past years.		
(B) Other comprehensive income section		
Income tax relating to re-measurements on defined benefit plans	5.74	28.03
Income tax relating to changes in fair value of equity instruments	4.20	(0.35)
Income tax relating to cash flow hedge	(1.33)	(1.06)
	8.61	**26.62**

Reconciliation of tax expense and the profit multiplied by tax rate applicable to respective tax jurisdiction for 31st March, 2025 and 31st March, 2024:

₹ in Crores

Particulars	For the year ended 31st March, 2025		For the year ended 31st March, 2024	
	%	Amount	%	Amount
Profit before tax and share of associates		**6,820.81**		**5,701.90**
At Income tax rates applicable to respective tax jurisdiction	25.27%	1,723.30	25.64%	1,462.00
Effect for:				
Prior year adjustments	0.03%	2.36	0.10%	6.15
Non-deductible expenses for tax purposes	0.80%	54.59	1.65%	93.89
Deferred tax not recognised (net)	0.33%	22.21	0.02%	0.88
Utilisation of previously un-recognised DTA and MAT credit	(0.07%)	(4.92)	(0.05%)	(2.51)
Recognition of previously unrecognised capital losses	(0.76%)	(51.72)	-	-
Reversal of previously recognised deferred tax asset	-	-	0.18%	10.00
Reversal of current year tax of earlier years	(2.28%)	(155.61)	-	-
Effect of differential tax rate impact on capital gain on current investments	(0.58%)	(39.31)	-	-
Others	(0.31%)	(21.14)	(0.42%)	(23.82)
Effective income tax rate/Income tax expense reported in the profit or loss	**22.43%**	**1,529.76**	**27.12%**	**1,546.59**

There are unused tax losses (including capital losses and MAT Credit) for which no deferred tax asset has been recognised as the Group believes that availability of taxable profit against which such temporary difference can be utilised, is not probable.

₹ in Crores

Particulars	As at 31st March, 2025	As at 31st March, 2024
Unabsorbed depreciation and business loss	597.39	733.94
Capital losses	505.97	937.97
MAT credit not recognised	10.98	11.44
Total	**1,114.34**	**1,683.35**

In respect of certain foreign subsidiaries, business losses can be carried forward indefinitely unless there is a substantial change in the ownership. Unrecognised deferred tax assets relate primarily to business losses and tax credit entitlements which do not qualify for recognition as per the applicable accounting standards. These unexpired business losses will expire based on the year of origination as follows:

Details of expiration of unused tax losses as at 31st March, 2025

₹ in Crores

Financial Year	Tax Losses
2025-26	-
2026-27	-
2027-28	282.11
2028-29	100.82
2029-30	-
Thereafter	731.41
Total	**1,114.34**

Notes to the Consolidated Financial Statements

Note 10: Income taxes (Contd..)

Details of expiration of unused tax losses as at 31st March, 2024

₹ in Crores

Financial Year	Tax Losses
2024-25	125.86
2025-26	97.56
2026-27	26.33
2027-28	71.69
2028-29	44.46
Thereafter	1,317.45
Total	**1,683.35**

Uncertain tax position:

The Group is subject to income taxes in India and numerous foreign jurisdictions including US and South Africa as other major jurisdictions. The Group has ongoing disputes which includes demands, notices and inquiries from income tax authorities in India and in some of the jurisdictions where they operate. The disputes relate to tax treatment of certain expenses claimed as deductions, computation or eligibility of tax incentives or allowances and transfer pricing adjustments.

Note 10: Income taxes (Contd..)

The Group has disclosed amount of ₹ 152.17 Crores (31st March, 2024: ₹ 20.22 Crores) as contingent liability, in respect of tax demands which are being contested by it based on the management evaluation and advice of tax consultants as the management believes that the ultimate tax determination is uncertain due to various tax positions taken by adjudicating authorities in the past.

The Group has made provisions for taxes basis its best judgement, considering past resolutions to disputed matters by adjudicating authorities, prior year assessments and advice from external experts, if required. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience.

Deferred tax on undistributed earnings:

Deferred income tax liabilities on undistributed earnings of the Group subsidiaries have not been provided as such earnings are deemed to be reinvested in the business and the Group is able to control the timing of the reversals of temporary differences associated with these investments. Accordingly, temporary difference on which deferred tax liability has not been recognised amounts to ₹ 3,458.85 Crores (31st March, 2024: ₹ 3,167.49 Crores).

Note 10: Income taxes (Contd..)

Deferred tax:

Movement in deferred tax assets and liabilities during the year ended 31st March, 2025:

₹ in Crores

Particulars	As at 1st April, 2024	Recognised in Profit or loss	Recognised in Other Comprehensive Income	Acquired in business combinations (refer note 57)	Foreign currency translation	As at 31st March, 2025
Property, plant and equipment and intangible assets	(484.04)	70.14	-	2.33	(14.62)	(426.19)
Employee benefits expense	120.15	(14.43)	5.74	-	1.78	113.24
Others*	315.05	61.91	2.87	-	5.60	385.43
Allowance for credit loss	33.84	(10.35)	-	-	0.27	23.76
Deferred revenue	8.11	(1.79)	-	-	-	6.32
Provision for right of return, discounts and others	314.82	51.17	-	-	5.57	371.56
Losses available for offsetting against future taxable income (refer note below)	92.89	22.43	-	-	0.70	116.02
MAT credit entitlement/utilised	1.69	(0.49)	-	-	-	1.20
Deferred tax assets/(liabilities) (net)	**402.51**	**178.59**	**8.61**	**2.33**	**(0.70)**	**591.34**
Deferred tax assets	587.80					644.87
Deferred tax liabilities	(185.29)					(53.53)
Total	**402.51**					**591.34**

*Others includes unrealised margins, provision for claims – DPCO, Hedge reserve, etc.

Movement in deferred tax assets and liabilities during the year ended 31st March, 2024:

₹ in Crores

Particulars	As at 1st April, 2023	Recognised in Profit or loss	Recognised in Other comprehensive income	Acquired in business combinations	Foreign currency translation	As at 31st March, 2024
Property, plant and equipment and intangible assets	(502.29)	113.98	-	(75.59)	(20.14)	(484.04)
Employee benefits expense	78.58	13.78	28.03	-	(0.24)	120.15
Others*	291.69	(1.87)	(1.41)	-	26.64	315.05

Notes to the Consolidated Financial Statements

Note 10: Income taxes (Contd..)

₹ in Crores

Particulars	As at 1st April, 2023	Recognised in Profit or loss	Recognised in Other comprehensive income	Acquired in business combinations	Foreign currency translation	As at 31st March, 2024
Allowance for credit loss	32.57	1.35	-	-	(0.08)	33.84
Deferred revenue	9.89	(1.78)	-	-	-	8.11
Provision for right of return, discounts and others	259.55	52.73	-	-	2.54	314.82
Losses available for offsetting against future taxable income (refer note below)	120.25	(26.61)	-	-	(0.75)	92.89
MAT credit entitlement/utilised	3.02	(1.33)	-	-	-	1.69
Deferred tax assets/(liabilities) (net)	**293.26**	**150.25**	**26.62**	**(75.59)**	**7.97**	**402.51**
Deferred tax assets	456.54					587.80
Deferred tax liabilities	(163.28)					(185.29)
Total	**293.26**					**402.51**

*Others includes unrealised margins, provision for claims – DPCO, Hedge reserve, etc.

Note:

1. Based on approved plans and budgets, the Cipla Health Limited (CHL) one of the subsidiaries of the Group has estimated that future taxable income will be sufficient to absorb carried forward unabsorbed depreciation and business losses, which management believes is probable, and accordingly CHL has recognised deferred tax assets on aforesaid losses aggregating to **₹ 18.23 Crores** as at 31st March, 2025 (31st March, 2024: ₹ 55.10 Crores)

2. During the year, based on the reasonable evidence available for a year, Goldencross Limited, a wholly owned subsidiary has recognised ₹ Nil (31st March, 2024: ₹ 2.51) of unrecognised MAT credit.

3. During the year, the Holding company have created deferred tax assets on unutilised capital losses to the extent of unrealised capital gains recorded in the books.

Note 10: Income taxes (Contd..)

Tax assets and liabilities :

₹ in Crores

Particulars	As at 31st March, 2025	As at 31st March, 2024
Income tax assets (net)	487.86	463.67
Income tax liabilities (net)	76.75	22.03

Note 11: Other non-current assets

₹ in Crores

Particulars	As at 31st March, 2025	As at 31st March, 2024
(Unsecured, considered good, except otherwise stated)		
Capital advances		
Secured*	6.32	6.37
Unsecured	224.11	231.45
Advances other than Capital advances		
Prepaid expenses	20.00	22.91
VAT receivable	3.13	36.52
Deposits$	184.03	-
	437.59	**297.25**

*Secured against bank guarantees

$Includes ₹ 175.08 Crores as at 31st March 2025 in respect of DPCO matter explained in note 45B

Note 12: Inventories

₹ in Crores

Particulars	As at 31st March, 2025	As at 31st March, 2024
(Lower of cost or net realisable value)		
Raw materials and packing materials	1,728.66	1,683.34
Work-in-progress	853.44	815.90
Finished goods	1664.75	1,491.00
Stock-in-trade	1258.54	1,137.73
Stores, spares and consumables	136.72	109.98
	5,642.11	**5,237.95**

₹ in Crores

Particulars	As at 31st March, 2025	As at 31st March, 2024
Goods-in-transit included above		
Raw materials and packing materials	103.43	63.87
Work-in-progress	30.23	28.98
Finished goods	156.37	229.88
Stock-in-trade	95.43	51.24
	385.46	**373.97**

The Group recorded inventory write down (net) of ₹ 376.1 crores (31st March, 2024: ₹ 354.80 crores) on account of inventory obsolescence. This is included as part of cost of materials consumed and changes

Notes to the Consolidated Financial Statements

Note 12: Inventories (Contd..)

in inventories of finished goods, work-in-progress and stock-in-trade in profit or loss, as the case may be.

As indicated in note 23, a notarial bond over all movable assets of ₹ 611.98 crores (31st March, 2024: ₹ 568.10 crores) has been held as security for short-term borrowings of Cipla Medpro South Africa (Pty) Limited of ₹ Nil (31st March, 2024: ₹ 91.77 crores).

Note 13: Current investments

₹ in Crores

Particulars	As at 31st March, 2025	As at 31st March, 2024
(Carried at fair value through profit or loss)		
Investment in mutual funds (quoted)	7,293.23	4,807.01
Aggregate book value of quoted investments	**7,293.23**	**4,807.01**
Aggregate market value of quoted investments	**7,293.23**	**4,807.01**
Aggregate amount of impairment in value of investments	**-**	**-**

Note 14: Trade receivables

₹ in Crores

Particulars	As at 31st March, 2025	As at 31st March, 2024
(Carried at amortised cost, except otherwise stated)		
Unsecured, considered good	5,579.37	4,844.78
Unsecured, credit impaired	28.49	65.17
Total	**5,607.86**	**4,909.95**
Less: Allowance for expected credit loss (refer note 42)	(101.49)	(139.29)
	5,506.37	**4,770.66**

Note 14: Trade receivables (Contd..)

- Trade receivables are interest and non-interest bearing and are generally due upto 180 days.
- There are no trade receivables (except which are already being provided) having significant increase in credit risk and which are credit impaired.
- One of the subsidiary of the Group entered into an arrangement with a bank for sale of trade receivables. Under the arrangement, the Subsidiary sold to the Bank certain of its trade receivables on a non-recourse basis. The receivables sold were mutually agreed with the Bank after considering the credit worthiness of the customers and also other contractual terms with the customer including any gross to net adjustments due to rebates, discounts, etc. from the contracted amounts, such that the receivables sold are generally lower than the net amount receivables from trade receivables. The Subsidiary has transferred substantially all the risks and rewards of ownership of such receivables sold to the Bank and accordingly, the same are de-recognised in the statement of financial position. As on 31st March, 2025, the amount of trade receivables de-recognised pursuant to the aforesaid arrangement is Nil (31st March, 2024: ₹ 41.70 Crores).
- As indicated in note 23, trade receivables of ₹ 866.90 Crores (31st March, 2024: ₹ 739.65 Crores) have been ceded to the bank (maximum to the extent of outstanding borrowings) as security for short-term borrowings of Cipla Medpro South Africa (Pty) Limited of ₹ Nil (31st March, 2024: ₹ 91.77 crores).
- There are no debts due by Directors or other Officers of the Group or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any Director is a Partner or a Director or a Member except as disclosed in note 48.

Note 14: Trade receivables (Contd..)

Trade Receivables Ageing Schedule

Ageing for trade receivables from the due date of payment for each of the category is as at 31st March, 2025 as follows:

₹ in Crores

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payments					
			Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
a. Undisputed trade receivables								
- considered good	-	4,250.17	1,092.99	107.62	40.39	20.74	67.46	5,579.37
- credit impaired	-	-	2.54	0.02	1.13	0.15	8.04	11.88
b. Disputed trade receivables								
- considered good	-	-	-	-	-	-	-	-
- credit impaired	-	-	-	0.39	0.52	0.83	14.87	16.61
	-	**4,250.17**	**1,095.53**	**108.03**	**42.04**	**21.72**	**90.37**	**5,607.86**

Notes to the Consolidated Financial Statements

Note 14: Trade receivables (Contd..)

Ageing for trade receivables from the due date of payment for each of the category is as at 31st March, 2024 as follows:

₹ in Crores

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payments					
			Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	Total
a. Undisputed Trade Receivables								
- considered good	-	3,694.35	993.67	49.79	34.10	23.28	49.59	4,844.78
- credit impaired	-	-	0.40	1.40	0.34	2.31	10.09	14.54
b. Disputed trade receivables								
- considered good	-	-	-	-	-	-	-	-
- credit impaired	-	-	0.08	0.09	0.86	2.02	47.58	50.63
	-	**3,694.35**	**994.15**	**51.28**	**35.30**	**27.61**	**107.26**	**4,909.95**

Note 15: Cash and cash equivalents

₹ in Crores

Particulars	As at 31st March, 2025	As at 31st March, 2024
Balances with banks		
- In Current accounts	567.81	465.94
- In EEFC accounts	1.65	15.93
- In fixed deposits (original maturity less than 3 months)	11.67	26.43
Remittance in transit*	7.02	131.23
Cash on hand	0.54	0.54
Cash and cash equivalents in the balance sheet	**588.69**	**640.07**
Less: Bank overdraft used for cash management purpose (refer note 23)	(46.04)	(127.73)
Cash and cash equivalents in the statement of cash flow	**542.65**	**512.34**

There are no other repatriation restrictions with regards to cash and cash equivalents as at the end of the reporting period.

* Remittance in transit from Group entities.

Note 16: Bank balance other than cash and cash equivalents

₹ in Crores

Particulars	As at 31st March, 2025	As at 31st March, 2024
Fixed Deposits with banks (original maturity between 3 months and 12 months)	178.74	155.17
Earmarked balances with bank (refer note below)	15.43	66.23
Amount held as margin money to Government authority	2.69	2.56
Balances earmarked for unclaimed dividend*	14.29	10.94
	211.15	**234.90**

Earmarked balances with bank

The closing balance of 31st March 2025 ₹ 15.43 Crores (31st March 2024 ₹ 66.23 Crores) relates to cash deposited in Escrow account for

Note 16: Bank balance other than cash and cash equivalents (Contd..)

the acquisition of Actor Proprietary Limited which will be released upon conclusion of the events as set out in the Share Purchase Agreement, to the satisfaction of both parties. An equivalent liability termed as deferred consideration has been created. (refer note 28)

*The above balances are restricted for specific use. There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as at 31st March, 2025 and 31st March, 2024.

Note 17: Current financial assets - loans

₹ in Crores

Particulars	As at 31st March, 2025	As at 31st March, 2024
(Unsecured, considered good except otherwise stated)		
(Carried at amortised cost, except otherwise stated)		
Loans to employees and others	0.19	0.24
Loan to Associate (including interest accrued) (Refer note 48 and 8)	15.45	-
	15.64	**0.24**

Notes -

1. In line with Circular No 04/2015 issued by Ministry of Corporate Affairs dated 10th March, 2015, loans given to employees as per the Company's policy are not considered for the purposes of disclosure under Section 186(4) of the Companies Act, 2013.

2. There are no loans or advances in the nature of loans granted to Promoters, Directors, KMPs and their related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, that are:

   (a) repayable on demand; or

   (b) without specifying any terms or period of repayment

3. There are no loans which have significant increase in credit risk and which are credit impaired.

Notes to the Consolidated Financial Statements

Note 18: Current financial assets - others

₹ in Crores

Particulars	As at 31st March, 2025	As at 31st March, 2024
(Unsecured, considered good except otherwise stated)		
(Carried at amortised cost, except otherwise stated)		
Incentives/benefits receivable from Government	220.09	297.72
Security deposits	14.93	14.71
Deposits #	7.92	191.95
Fair value of Derivatives not designated as hedges - carried at FVTPL*		
Forward contracts	3.35	12.86
Options	-	0.19
Fair value of Derivative designated as hedges - carried at FVOCI*		
Forward contracts	6.20	11.50
Options	-	0.88
Advance gratuity	0.08	-
Fixed deposit interest receivable	37.29	43.26
Fixed deposits with banks (having remaining maturity less than 12 months)	2,548.62	2,176.75
Amount held as margin money to Government authority	1.70	2.80
Receivables for litigation settlement (refer note 32)	42.74	-
Other receivables (Dues from ex-employees, expense reimbursement receivable, etc.)		
Considered good	53.98	48.90

Note 18: Current financial assets - others (Contd..)

₹ in Crores

Particulars	As at 31st March, 2025	As at 31st March, 2024
Considered impared	1.89	3.65
Less: Allowance for expected credit loss	(1.89)	(3.65)
	2,936.90	**2,801.52**

*Refer note 42 for information about Fair value measurement and effects of hedge accounting.

#Includes ₹ 175.08 Crores as at 31st March, 2024 in respect of DPCO matter explained in note 45B.

Note 19: Other current assets

₹ in Crores

Particulars	As at 31st March, 2025	As at 31st March, 2024
(Unsecured, considered good except otherwise stated)		
Advance to suppliers	203.90	211.80
Prepaid expenses	152.73	132.91
Balances with statutory/revenue authorities like goods and service tax (GST), excise, customs, service tax and value added tax, etc.	688.63	535.97
Other advances	9.62	19.42
	1,054.88	**900.10**

Note 20: Equity share capital

₹ in Crores

Particulars	Numbers	As at 31st March, 2025	Numbers	As at 31st March, 2024
Authorised				
Equity shares of ₹ 2/- each	87,50,00,000	175.00	87,50,00,000	175.00
		175.00		**175.00**
Issued				
Equity shares of ₹ 2/- each	80,76,17,120	161.52	80,73,67,062	161.47
		161.52		**161.47**
Subscribed and paid-up				
Equity shares of ₹ 2/- each, fully paid up	80,76,17,120	161.52	80,73,67,062	161.47
		161.52		**161.47**

Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31st March, 2025	As at 31st March, 2024
Number of shares outstanding at the beginning of the period	80,73,67,062	80,71,50,593
Add: Allotment of equity shares on exercise of employee stock options (ESOS) and Employee Stock Appreciation Rights (ESAR) (refer note 47)	250,058	216,469
Number of shares outstanding at the end of the reporting period	**80,76,17,120**	**80,73,67,062**

Notes to the Consolidated Financial Statements

Note 20: Equity share capital (Contd..)

Details of shareholders holding more than 5% shares in the Company

Particulars	As at 31st March, 2025		As at 31st March, 2024	
	Number of shares	% of holdings	Number of shares	% of holdings
Dr Y K Hamied	15,05,21,183	18.64%	15,05,21,183	18.64%
Sophie Ahmed	4,59,82,000	5.69%	4,59,82,000	5.70%
HDFC Trustee Company Limited	4,13,06,993	5.11%	3,59,93,491	4.46%

Details of shares held by promoters in the Company

Particulars	As at 31st March, 2025		As at 31st March, 2024		% Change
	No. of Shares	% of total shares	No. of Shares	% of total shares	
Dr Y K Hamied	15,05,21,183	18.64%	15,05,21,183	18.64%	0.00%
M K Hamied	2,78,44,320	3.45%	2,78,44,320	3.45%	0.00%
Sophie Ahmed	4,59,82,000	5.69%	4,59,82,000	5.70%	(0.01%)
Shirin Hamied	-	-	63,63,000	0.79%	(0.79%)
Kamil Hamied	1,09,39,500	1.35%	1,09,39,500	1.36%	(0.01%)
Samina Hamied	-	-	1,79,09,500	2.22%	(2.22%)
Rumana Hamied	-	-	98,86,500	1.22%	(1.22%)
Okasa Pharma Private Limited	-	-	1,89,375	0.02%	(0.02%)
Total	**23,52,87,003**	**29.13%**	**26,96,35,378**	**33.40%**	**(4.27%)**

Particulars	As at 31st March, 2024		As at 31st March, 2023		% Change
	No. of Shares	% of total shares	No. of Shares	% of total shares	
Dr Y K Hamied	15,05,21,183	18.64%	15,05,21,183	18.65%	(0.01%)
M K Hamied	2,78,44,320	3.45%	2,78,44,320	3.45%	0.00%
Sophie Ahmed	4,59,82,000	5.70%	4,59,82,000	5.70%	0.00%
Shirin Hamied	63,63,000	0.79%	63,63,000	0.79%	0.00%
Kamil Hamied	1,09,39,500	1.36%	1,09,39,500	1.36%	0.00%
Samina Hamied	1,79,09,500	2.22%	1,79,09,500	2.22%	0.00%
Rumana Hamied	98,86,500	1.22%	98,86,500	1.22%	0.00%
Okasa Pharma Private Limited	1,89,375	0.02%	1,89,375	0.02%	0.00%
Total	**26,96,35,378**	**33.40%**	**26,96,35,378**	**33.41%**	**(0.01%)**

Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 2 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in case of interim dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder.

Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date.

The Company has not issued any bonus shares, shares for consideration other than cash or bought back any shares during five years immediately preceding the reporting date.

Equity shares reserved for issue under employee stock options and share appreciation rights.

For number of stock options against which equity shares are to be issued by the Company upon vesting and exercise of those stock options and rights by the option/ESAR holders as per the relevant schemes (refer note 47).

Note 21: Other equity*

₹ in Crores

Particulars	As at 31st March, 2025	As at 31st March, 2024
Share application money pending allotment#	0.00	0.00
Capital reserve	(264.24)	(264.24)
Securities premium	1,692.60	1,672.84
General reserve	3,145.00	3,145.00
Employee stock options/ESAR	114.12	86.54
Retained earnings	25,644.28	21,438.78

Notes to the Consolidated Financial Statements

Note 21: Other equity* (Contd..)

₹ in Crores

Particulars	As at 31st March, 2025	As at 31st March, 2024
Foreign currency translation reserve	584.03	315.21
Equity instruments fair value through other comprehensive income	106.45	144.98
Effective portion of cash flow hedges	9.69	5.85
Total Other equity	**31,031.93**	**26,544.96**

* For movement in other equity, refer Statement of Changes in Equity

\# represent share application money pending allotment of ₹ 9,144 for 4,572 number of shares (31st March, 2024: ₹ 30,196 for 15,098 number of shares)

Nature and purpose of reserves:-

Capital reserve

Capital reserve represents gain arising from business combination and loss/(gain) on account of acquisition/divestment of non-controlling interest and profit or loss on sale, issue, purchase or cancellation of the Company's own equity instrument or purchase of ESOPs rights relating to subsidiary.

Securities premium

Securities premium is used to record the premium on issue of shares. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium. This reserve is utilised in accordance with the provisions of the Act.

General reserve

The general reserve is used from time to time to transfer profit from retained earning for appropriation purpose.

Employee stock options/ESAR

Employee stock options/ESAR is used to record the share based payments, expense under the various ESOS schemes as per SEBI regulations. The reserve is used for the settlement of ESOS (refer note 47).

Retained earnings

Retained earnings are the profits that the Group has earned till date, less any transfers to general reserve, dividends, or other distributions paid to shareholders. It includes impact of remeasurement gain/(losses) net of taxes on defined benefit plans on account of changes in actuarial assumptions or experience adjustments within the plans.

Foreign currency translation reserve

Foreign currency translation reserve represents the unrealised gains and losses on account of translation of reporting currency for foreign subsidiaries into the Company's presentation currency.

Equity instruments fair value through other comprehensive income

This reserve represents the cumulative gains and losses arising on the revaluation of equity instrument measured at fair value through other comprehensive income.

Note 21: Other equity* (Contd..)

The Company transfers amounts from this reserve to retained earnings when the relevant equity instruments are derecognised/disposed off.

Effective portion of cash flow hedges

The hedging reserve represents the cumulative effective portion of gain or loss arising on changes in fair value of designated portion of hedging instruments (i.e., forward contracts). Upon derecognition, amounts accumulated in other comprehensive income are taken to profit or loss at the same time as the related cash flow.

Note 22: Non-controlling interest (NCI)

Standalone financial information of subsidiaries that have material non-controlling interests is provided below:

A. Proportion of equity interest held by non-controlling interest:

Name of the subsidiary	As at 31st March, 2025	As at 31st March, 2024
Jay Precision Pharmaceuticals Private Limited	40.00%	40.00%
Cipla Maroc SA*	24.90%	24.90%
Aspergen Inc.@	40.00%	40.00%
Cipla (Jiangsu) Pharmaceutical Co., Ltd# (refer note 24 (a))	0.00%	6.91%

Transactions with non-controlling interest

@During the year, the group has further invested ₹ 30.50 crores in the Aspergen Inc. for its share of stake.

*During the previous year, pursuant to the Share Purchase Agreement dated 26th September, 2022 and first amendment to Share Purchase Agreement dated 13th November, 2023, executed between the Cipla (EU) Limited, wholly owned subsidiary of the Company ("Cipla EU"), Cipla Maroc SA, Morocco, ("JV Co."), The Pharmaceutical Institute ("PHI") and Societe Marocaine De Cooperation Pharmaceutique ("Cooper Pharma"), Cipla EU has completed acquisition of additional 15.10% in the JV Co. from PHI for a consideration of ₹ 67.63 crores (MAD 81.1 million) on 24th November, 2023 and the Group had recognised loss of ₹ 56.79 crores directly in equity on account of difference between the amount at which non-controlling interest has been adjusted and the consideration paid.

₹ in Crores

Particulars	As at 31st March, 2024
Consideration paid to non-controlling interest	(67.63)
Carrying amount of stake acquired	10.84
Adjustment to capital reserve	**(56.79)**

For movement in NCI, refer Statement of Changes in Equity.

Notes to the Consolidated Financial Statements

Note 22: Non-controlling interest (NCI) (Contd..)

B. Information regarding non-controlling interest:

₹ in Crores

Particulars	As at 31st March, 2025	As at 31st March, 2024
Accumulated balances of material non-controlling interest:		
Jay Precision Pharmaceuticals Private Limited	72.02	71.71
Cipla Maroc SA	13.45	16.31
Aspergen Inc.	10.34	7.89
Accumulated balances of immaterial non-controlling interest	(0.01)	(0.01)
Total	**95.80**	**95.90**

₹ in Crores

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Profit/(loss) allocated to material non-controlling interest:		
Cipla Quality Chemical Industries Limited {refer note 58 (i)} - upto 31st October, 2023	-	17.69
Saba Investment Limited (Group) {refer note 58 (ii)} - upto 29th September, 2023	-	22.95
Jay Precision Pharmaceuticals Private Limited	15.20	18.09
Cipla Maroc SA	9.90	1.69
Aspergen Inc.	(28.42)	(28.25)
(Loss)/profit allocated to immaterial non-controlling interest	(0.00)	0.00
Total	**(3.32)**	**32.17**

Summarised profit or loss of material non-controlling interest for the year ended 31st March, 2025:

₹ in Crores

Particulars	Name of the subsidiary				
	Cipla Quality Chemical Industries Limited {refer note 58 (i)}*	Saba Investment Limited (Group) {refer note 58 (ii)}#	Jay Precision Pharmaceuticals Private Limited	Cipla Maroc SA	Aspergen Inc.
Revenue from operations	-	-	150.25	236.51	-
Profit for the year	-	-	38.17	39.92	(71.06)
Other comprehensive income	-	-	(1.14)	-	-
Total comprehensive income	**-**	**-**	**37.03**	**39.92**	**(71.06)**
Dividends to non-controlling interests	-	-	14.44	14.53	-

* upto 31st October, 2023

\# upto 29th September, 2023

Summarised profit or loss of material non-controlling interest for the year ended 31st March, 2024:

₹ in Crores

Particulars	Name of the subsidiary				
	Cipla Quality Chemical Industries Limited {refer note 58 (i)}*	Saba Investment Limited (Group) {refer note 58 (ii)}#	Jay Precision Pharmaceuticals Private Limited	Cipla Maroc SA	Aspergen Inc.
Revenue from operations	336.50	29.99	161.36	171.39	-
Profit/(loss) for the year	29.20	(5.67)	45.43	4.73	(70.66)
Other comprehensive income	-	-	(0.03)	-	-
Total comprehensive income	**29.20**	**(5.67)**	**45.40**	**4.73**	**(70.66)**
Dividends to non-controlling interests	(9.85)	(13.92)	(11.23)	(1.60)	-

* upto 31st October, 2023

\# upto 29th September, 2023

Notes to the Consolidated Financial Statements

Note 22: Non-controlling interest (NCI) (Contd..)

Summarised balance sheet of material non-controlling interest as at 31st March, 2025:

₹ in Crores

Particulars	Name of the subsidiary		
	Jay Precision Pharmaceuticals Private Limited	Cipla Maroc SA	Aspergen Inc.
Non-current assets	146.87	29.47	35.51
Non-current liabilities	7.64	-	-
Net non-current assets	**139.23**	**29.47**	**35.51**
Current assets	56.78	162.69	30.23
Current liabilities	14.18	119.31	39.90
Net current assets	**42.60**	**43.38**	**(9.67)**
Total equity	**181.83**	**72.85**	**25.84**

Summarised balance sheet of material non-controlling interest as at 31st March, 2024:

₹ in Crores

Particulars	Name of the subsidiary		
	Jay Precision Pharmaceuticals Private Limited	Cipla Maroc SA	Aspergen Inc.
Non-current assets	124.71	15.28	15.82
Non-current liabilities	6.41	-	-
Net non-current assets	**118.30**	**15.28**	**15.82**
Current assets	74.41	97.43	36.12
Current liabilities	11.82	32.69	32.22
Net current assets	**62.59**	**64.74**	**3.90**
Total equity	**180.89**	**80.02**	**19.72**

Summarised cash flow information of material non-controlling interest as at 31st March, 2025:

₹ in Crores

Particulars	Cipla Quality Chemical Industries Limited {refer note 58 (i)}*	Saba Investment Limited (Group) {refer note 58 (ii)}#	Name of the subsidiary		
			Jay Precision Pharmaceuticals Private Limited	Cipla Maroc SA	Aspergen Inc.
Operating activities	-	-	51.03	32.95	(64.36)
Investing activities	-	-	(7.91)	(23.78)	(19.41)
Financing activities	-	-	(36.09)	-	76.93
Net increase/(decrease) in cash and cash equivalents	**-**	**-**	**7.03**	**9.17**	**(6.84)**

* upto 31st October, 2023

upto 29th September, 2023

Summarised cash flow information of material non-controlling interest as at 31st March, 2024:

₹ in Crores

Particulars	Cipla Quality Chemical Industries Limited {refer note 58 (i)}*	Saba Investment Limited (Group) {refer note 58 (ii)}#	Name of the subsidiary		
			Jay Precision Pharmaceuticals Private Limited	Cipla Maroc SA	Aspergen Inc.
Operating activities	147.08	32.54	62.31	(7.60)	(63.93)
Investing activities	(7.62)	(0.03)	(66.45)	(0.39)	(8.99)
Financing activities	(31.40)	(55.53)	(28.07)	-	91.75
Net increase/(decrease) in cash and cash equivalents	**108.06**	**(23.02)**	**(32.21)**	**(7.99)**	**18.83**

* upto 31st October, 2023

upto 29th September, 2023

Notes to the Consolidated Financial Statements

Note 23: Financial liabilities: borrowings

₹ in Crores

Particulars	As at 31st March, 2025	As at 31st March, 2024
(a) Non-current		
(Carried at amortised cost, except otherwise stated)		
Unsecured loans:		
Term loan from banks*	11.98	-
Total non-current borrowings	**11.98**	**-**
(b) Current		
(Carried at amortised cost, except otherwise stated)		
Secured loans:		
Loans repayable on demand		
Loan from bank#	-	91.77
Unsecured loans:		
Loans repayable on demand		
Bank overdraft$	46.04	127.73
Working capital line of credit##	21.27	13.53
Import Loan&	12.81	13.99
Total current borrowings	**80.12**	**247.02**

Note: Borrowings obtained during the year have been used for the purpose for which they have been obtained.

* Term loan from banks (Unsecured)

Includes loan of ₹ 11.98 Crores taken by Cipla (Jiangsu) Pharmaceutical Co. Ltd from Hong Kong and Shanghai Banking Corporation Limited, China. This loan is repayable after 3 years from the date of loan utilisation and carries an interest at LPR plus 1.25% per annum.

Loan repayable on demand (Secured)

Previous year includes loan repayable on demand of Nil (31st March, 2024: ₹ 91.77 Crores) obtained by Cipla Medpro South Africa (Pty) Limited (Group). This loan carried interest at rates linked to the South Africa Money market. The loan was secured by way of guarantees by Cipla Medpro South Africa Group. There was a cession of trade receivables, receivables insurances and claims of Cipla Medpro South Africa Proprietary Limited and Medpro Pharmaceutica Proprietary Limited. There was no requirement for submission of quarterly returns or statement of current assets to banks for the secured loan.

$ Bank overdraft (Unsecured)

₹ in Crores

Bank	Subsidiary	Interest Rate	As at 31st March, 2025	As at 31st March, 2024
HSBC Continental Europe	Cipla Europe NV	Main Refinancing Operations rate published by the European Central Bank ("ECB") + 1.25%	6.78	29.13
HSBC Bank Plc.	Cipla (EU) Limited	Relevant Base Rate + 1.3% per annum	39.26	98.60
Total			**46.04**	**127.73**

Working capital line of credit (Unsecured):

₹ in Crores

Bank	Subsidiary	Interest Rate	As at 31st March, 2025	As at 31st March, 2024
HSBC Australia	Cipla Australia Pty. Ltd.	3 Month Bank Bill Swap Bid Rate (BBSY) + 1.5%	-	13.53
HSBC China	Cipla (Jiangsu) Pharmaceutical Co., Ltd	LPR plus 0.5% per annum.	21.27	-
Total			**21.27**	**13.53**

& Import Loan (Unsecured)

Includes import loan of ₹ 12.81 Crores (31st March, 2024: ₹ 13.99 Crores) taken by Breathe Free Lanka (Pvt) Limited from HSBC Sri Lanka. The import loan is repayable on demand and carries an interest at Standard Facility Lending Rate of Central bank +2.5%.

Notes to the Consolidated Financial Statements

Note 23: Financial liabilities: borrowings (Contd..)

Reconciliation of borrowings

₹ in Crores

Particulars	As at 31st March, 2025	As at 31st March, 2024
Opening balance		
Non-current borrowings	-	-
Current borrowings	119.29	430.49
	119.29	**430.49**
Movement of borrowings		
Proceeds from non-current borrowings	11.96	-
Repayments of current borrowings	(98.01)	(300.46)
Foreign exchange movement	12.82	(10.74)
	(73.23)	**(311.20)**
Closing balance		
Non-current borrowings	11.98	-
Current borrowings	34.08	119.29
	46.06	**119.29**
Add: Bank overdraft	46.04	127.73
Total	**92.10**	**247.02**

Note 24: Other financial liabilities - non-current

₹ in Crores

Particulars	As at 31st March, 2025	As at 31st March, 2024
(Carried at amortised cost, except otherwise stated)		
Security deposits	63.69	5.92
Deferred consideration - carried at FVTPL	7.89	18.06
Fair value of Derivative designated as Hedge (FVOCI)		
- Forward contracts	-	1.43
- Options	-	0.38
Fair value of Derivative not designated as Hedge (FVTPL)		
- Currency swap	30.81	-
Put option liability - Fair value through profit or loss (refer note below)	-	42.02
	102.39	**67.81**

(a) Cipla (Jiangsu) Pharmaceutical Co., Ltd

Cipla (Jiangsu) Pharmaceutical Co., Ltd ('Cipla Jiangsu') was a subsidiary of the Company, owned through majority stake. The investment agreement between Cipla (EU) Limited, Cipla Jiangsu and Non-Controlling Interest ('NCI') shareholders of Cipla Jiangsu stipulated that the NCI shareholders of Cipla Jiangsu shall have the right to an exit option after expiry of lock-in-period, at a price as defined in investment agreement. A liability was recognised for this put option issued by the Group over the equity of Cipla Jiangsu at the gross amount payable, aggregating ₹ 42.02 Crores (including ₹ 18.64 Crores for interest accrued) as at 31st March, 2024. This amount was recognised under 'other financial liabilities'. The fair value of such put option was determined using the fair value model methodology enunciated in the investment agreement.

Note 24: Other financial liabilities - non-current (Contd..)

During the year, Cipla (EU) Limited, wholly owned subsidiary in UK, has entered into a definitive agreement on 25th September, 2024, for purchase of entire 6.91% equity interest of Jiangsu Xidi Pharmaceuticals Co., Ltd. held in Cipla (Jiangsu) Pharmaceuticals Co., Ltd., China ('Cipla Jiangsu'), subsidiary at a total consideration of ₹ 43.14 Crores. All the condition with respect to acquisition of additional stake has been completed and Cipla Jiangsu is now a wholly owned step-down subsidiary of the Group. Accordingly, the put option liability has been adjusted against the payment made.

Note 25: Provisions

₹ in Crores

Particulars	As at 31st March, 2025	As at 31st March, 2024
Non-current		
Provision for employee benefits (refer note 46)	148.69	129.26
	148.69	**129.26**
Current		
Provision for employee benefits (refer note 46)	498.84	491.74
Provision for Claims – DPCO (refer note below and note 45B)	156.37	145.73
Provision for anticipated claims on pricing	9.88	20.75
Provision for right of return/refund liabilities/discounts and others (refer note below)	1,043.98	947.56
Provision for amount payable to partner	7.54	5.98
	1,716.61	**1,611.76**

Provision is made for right of return/refund liabilities/discount and others in respect of products sold as per the contractual terms and conditions. These claims are expected to be settled in the next financial year. Management estimates the provision based on historical information and any recent trends that may suggest future claims could differ from historical amounts. The assumptions made in relation to the current period are consistent with those in the prior year.

Movement of provisions for Claims - DPCO, Provision for anticipated claims on pricing and provision for right of return/refund liabilities/discounts and others:

₹ in Crores

Particulars	As at 31st March, 2025	As at 31st March, 2024
Provision for Claims – DPCO (refer note 45B)		
Balance at the beginning of the year	**145.73**	**125.38**
Provided during the year	10.64	20.35
Utilised/reversed/payout during the year	-	-
Balance at the end of the year	**156.37**	**145.73**

Notes to the Consolidated Financial Statements

Note 25: Provisions (Contd..)

₹ in Crores

Particulars	As at 31st March, 2025	As at 31st March, 2024
Provision for anticipated claims on pricing		
Balance at the beginning of the year	**20.75**	**35.28**
Provided during the year	0.59	6.84
Utilised/reversed/payout during the year	(11.46)	(21.37)
Balance at the end of the year	**9.88**	**20.75**
Provision for right of return/refund liabilities/discounts and others		
Balance at the beginning of the year	**947.56**	**849.93**
Additions through business combinations (refer note 57)	0.81	-
Provided during the year	1,396.26	1,363.62
Utilised/reversed/payout during the year	(1,313.50)	(1,239.28)
Divestment of subsidiaries (refer note 58)	-	(31.68)
Foreign currency translation	12.85	4.97
Balance at the end of the year	**1,043.98**	**947.56**

Note 26: Other non-current liabilities

₹ in Crores

Particulars	As at 31st March, 2025	As at 31st March, 2024
Deferred government grant	2.53	3.09
Deferred revenue	53.06	57.02
Deferred lease income	1.16	1.83
	56.75	**61.94**

Note 27: Trade payables

₹ in Crores

Particulars	As at 31st March, 2025	As at 31st March, 2024
(Carried at amortised cost, except otherwise stated)		
Total outstanding dues of micro enterprises and small enterprises (MSME)	278.60	253.54
Total outstanding dues of creditors other than micro enterprises and small enterprises	2,558.89	2,220.44
	2,837.49	**2,473.98**

- The above amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 0-90 days of recognition based on the credit terms. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Note 27: Trade payables (Contd..)

- There are no micro and small enterprises, to whom the Group owes dues, which are outstanding for more than 45 days as at 31st March, 2025, and no interest payment made during the year to any micro and small enterprises. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006, has been determined to the extent such parties are identified on the basis of information available with the Group.

Disclosure as required by Micro, Small and Medium Enterprises Development Act, 2006

₹ in Crores

Particulars	As at 31st March, 2025	As at 31st March, 2024
A. (i) Principal amount remaining unpaid	278.60	253.54
(ii) Interest amount remaining unpaid	-	-
B. Interest paid by the Group in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day	-	-
C. Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	-	-
D. Interest accrued and remaining unpaid	-	-
E. Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-

Note: Identification of micro and small enterprises is basis intimation received from vendors

Notes to the Consolidated Financial Statements

Note 27: Trade payables (Contd..)

Trade Payables Ageing Schedule

Ageing for trade payables from the due date of payment for each of the category is as at 31st March, 2025 as follows:

₹ in Crores

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payments				Total
			Less than 1 year	1-2 Years	2-3 years	More than 3 years	
a. Undisputed trade payables							
- MSME	0.23	274.58	3.79	-	-	-	278.60
- Others	20.54	1,638.33	782.24	21.16	1.90	83.66	2,547.83
b. Disputed trade payables							
- MSME	-	-	-	-	-	-	-
- Others	-	-	-	-	-	11.06	11.06
	20.77	**1,912.91**	**786.03**	**21.16**	**1.90**	**94.72**	**2,837.49**

Ageing for trade payables from the due date of payment for each of the category is as at 31st March, 2024 as follows:

₹ in Crores

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payments				Total
			Less than 1 year	1-2 Years	2-3 years	More than 3 years	
a. Undisputed trade payables							
- MSME	0.16	229.82	23.56	-	-	-	253.54
- Others	24.01	1,311.76	766.58	21.07	7.41	78.24	2,209.07
b. Disputed trade payables							
- MSME	-	-	-	-	-	-	-
- Others	-	-	-	-	-	11.37	11.37
	24.17	**1,541.58**	**790.14**	**21.07**	**7.41**	**89.61**	**2,473.98**

Note 28: Other financial liabilities - current

₹ in Crores

Particulars	As at 31st March, 2025	As at 31st March, 2024
(Carried at amortised cost, except otherwise stated)		
Unclaimed dividend *	14.29	10.94
Security deposits	2.79	52.84
Capital creditors	139.29	175.17
Employee dues	135.99	115.17
Fair value of derivative designated as hedge - carried at FVOCI (refer note 42)		
Options	0.16	-
Fair value of derivative not designated as hedge - carried at FVTPL (refer note 42)		
Forward contracts	28.69	-
Options	0.44	-
Book overdraft	1.24	0.89
Import advance licences	23.48	26.03
Deferred consideration - carried at FVTPL (refer note 16)	19.65	109.09
Liability for unspent CSR obligation (refer note 49)	4.75	-
Other payables	3.77	2.01
	374.54	**492.14**

* There is no amount due and outstanding to be credited to Investor Education and Protection Fund as at 31st March, 2025 and 31st March, 2024.

Note 29: Other current liabilities

₹ in Crores

Particulars	As at 31st March, 2025	As at 31st March, 2024
Advance from customers	16.38	13.57
Other payables:		
Statutory dues	252.76	284.92
Deferred revenue	11.51	12.13
Advance received for assets held for sale (refer note 2.3)	11.09	-
Others	1.11	1.25
	292.85	**311.87**

Note 30: Revenue from sale of products

₹ in Crores

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Sale of products	27,145.40	25,446.63
	27,145.40	**25,446.63**

Notes to the Consolidated Financial Statements

Note 30: Revenue from sale of products (Contd..)

Ind AS 115 - Disclosures

(i) Disaggregation of revenue

The Group's revenue disaggregated by business unit is as follows:

₹ in Crores

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Sale of products (Products transferred at a point in time)		
(1) India - Trade and Branded Generics	11,610.06	10,725.10
(2) North America (USA)	7,893.01	7,487.89
(3) South Africa, Sub-Saharan Africa and Cipla Global Access, North Africa (One-Africa)	3,826.48	3,664.04
(4) Emerging Markets (EM)	1,878.20	1,610.66
(5) Europe	1,414.54	1,180.09
(6) Active Pharmaceutical Ingredient (API) and Others	523.11	778.85
	27,145.40	**25,446.63**

(ii) Reconciliation of revenue from sale of products with the contracted price

₹ in Crores

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Contracted price	36,636.64	35,087.58
Less: trade discounts, chargeback, sales and expiry return, Medicaid, Co-pay, etc.	(9,491.24)	(9,640.95)
Sale of products	**27,145.40**	**25,446.63**

(iii) Contract assets

The Group recognises an asset, i.e., right to the returned saleable goods (included in inventories) for the products expected to be returned in saleable condition. The Group initially measures this asset at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of returned goods. The Group updates the measurement of the asset recorded for any revision to its expected level of returns, as well as any additional decrease in value of the returned products.

As on 31st March, 2025, the Group has ₹ 24.81 crores (31st March, 2024: ₹ 22.49 crores) as contract asset.

Note 30: Revenue from sale of products (Contd..)

(iv) Contract liabilities from contracts with customers

The Group records a contract liability when payments are received or amount is due in advance of its performance.

Contract liabilities

₹ in Crores

Particulars	As at 31st March, 2025	As at 31st March, 2024
Advance from customers	16.38	13.57
Deferred revenue	64.57	69.15

Deferred revenue

₹ in Crores

Particulars	31st March, 2025	31st March, 2024
Balance at the beginning of the year	**69.15**	**58.02**
Revenue recognised during the year	(14.08)	(15.11)
Milestone payment received during the year	9.25	26.10
Exchange gain/(loss)	0.25	0.14
Balance at the end of the year	**64.57**	**69.15**
Current	11.51	12.13
Non-Current	53.06	57.02

In respect to Deferred revenue, the Group expect revenue to be recognised over the period of next 9 years (31st March, 2024 7 years) from reporting date.

Advance from Customers

₹ in Crores

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Balance at the beginning of the year	**13.57**	**36.83**
Revenue recognised/other adjustments (net) during the year	(38.15)	(72.59)
Advance received during the year	41.30	49.44
Advance returned during the year	(0.34)	(0.11)
Balance at the end of the year	**16.38**	**13.57**

In respect to advance from customers, the Group expect revenue to be recognised over the period of next 1 year from reporting date.

(v) Information about major customer

No single external customer represents 10% or more of the Group's total revenue for the years ended 31st March, 2025 and 31st March, 2024, respectively.

Notes to the Consolidated Financial Statements

Note 31: Other operating revenue

₹ in Crores

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Rendering of services	6.25	8.18
Export incentives	93.50	54.68
Technical know-how and licensing fees	14.50	19.03
Scrap sales	44.03	40.62
Goods and service tax area-based incentive	36.18	26.76
Production linked incentive (PLI)	199.97	170.00
Miscellaneous income*	7.79	8.19
	402.22	**327.46**

* Income below 1% of revenue from operation is aggregated in accordance with Schedule III to the Companies Act, 2013.

Note 32: Other income

₹ in Crores

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Interest income:		
Bank deposit	237.47	186.97
Income tax refund	9.98	11.29
Others	16.95	21.33
Other non-operating income:		
Government grants$	0.83	2.03
Net (loss)/gain on foreign currency transaction and translation*	(9.13)	100.93
Net gain on sale of current investment carried at FVTPL	174.27	69.22
Fair value gain on financial instruments carried at FVTPL	234.55	221.96
Net (loss)/gain on disposal of property, plant and equipments	(5.06)	3.49
Profit on sale of Subsidiaries (net) (refer note 58)	-	0.93
Insurance claim	15.38	29.81
Rent income	14.54	12.97
Income from vendor settlement	-	34.98
Sundry balances written back	10.94	17.19
Litigation settlement income@	121.10	-
Miscellaneous income#	40.05	33.47
	861.87	**746.57**

$ Government grants pertain to subsidy of property, plant and equipment of manufacturing set up. There are no unfulfilled conditions or contingencies attached to these grants.

\# Income below 1% of revenue from operation is aggregated in accordance with Schedule III to the Companies Act, 2013.

@Litigation settlement income for the year ended 31st March, 2025, includes ₹ 109.74 Crores from a one-time settlement agreements of a legal dispute entered with innovators during the current year.

*Previous year includes ₹ 54.03 Crores as exchange gain realized on account of buy back of 16,911,765 ordinary shares of USD 1.00 each by Meditab Holdings Limited, a wholly owned step-down subsidiary from Meditab Specialities Limited, a wholly owned subsidiary, for a consideration of USD 23 million in December 2023.

Note 33: Cost of materials consumed

₹ in Crores

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Cost of materials consumed	5,409.60	5,220.51
	5,409.60	**5,220.51**

Note 34: Purchases of stock-in-trade

₹ in Crores

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Purchases of stock-in-trade	3,851.49	3,536.03
	3,851.49	**3,536.03**

Note 35: Changes in inventories of finished goods, work-in-progress and stock-in-trade

₹ in Crores

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Opening Stock		
Work-in-progress	815.90	863.62
Finished goods	1,491.00	1,598.73
Stock-in-trade	1,137.73	1,045.31
	3,444.63	**3,507.66**
Less: Closing Stock (refer note 12)		
Work-in-progress	853.44	815.90
Finished goods	1,664.75	1,491.00
Stock-in-trade	1,258.54	1,137.73
	3,776.73	**3,444.63**
(Increase)/decrease	**(332.10)**	**63.03**

Note 36: Employee benefits expense

₹ in Crores

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Salaries and wages	4,306.26	3,855.36
Contribution to provident and other funds (refer note 46)	196.76	171.05
Share based payments expense (refer note 47)	47.34	46.16
Staff welfare expenses	282.47	237.47
	4,832.83	**4,310.04**

Notes to the Consolidated Financial Statements

Note 37: Finance costs

₹ in Crores

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Interest expense on long-term and short-term borrowings	10.73	38.65
Interest on lease liabilities	23.02	21.11
Interest on discounting of trade receivables	0.55	2.57
Interest on provision for claims - DPCO	7.68	4.59
Interest on put option liability	2.04	4.21
Other finance cost (including interest on taxes)	17.99	18.75
	62.01	**89.88**

Note 38: Depreciation, impairment and amortisation expense

₹ in Crores

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Depreciation on property, plant and equipment (refer note 2.1 (a})	636.30	616.08
Impairment of property, plant and equipment (refer note 2.1 {a})	3.68	40.34
Impairment of capital work-in-progress (refer note 2.1 {b})	10.92	13.34
Depreciation on right-of-use assets (refer note 2.2)	90.63	85.15
Impairment on asset held for sale (refer note 2.3)	3.33	-
Depreciation on investment properties (refer note 3)	2.07	2.51
Amortisation of intangible assets (refer note 5)	266.45	237.87
Impairment of intangibles (refer note 5)	49.34	53.23
Impairment of intangible assets under development (refer note 5)	44.23	2.50
	1,106.95	**1,051.02**

Note 39(a): Other expenses

₹ in Crores

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Manufacturing expenses	667.72	640.62
Stores and spares	166.03	132.19
Repairs and maintenance:		
Buildings	37.31	38.73
Plant and equipment	209.00	185.65
Insurance	88.85	86.39
Rent (refer note 2.2)	111.84	92.65
Rates and taxes	107.60	113.25

Note 39(a): Other expenses (Contd..)

₹ in Crores

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Power and fuel	397.18	364.84
Travelling and conveyance	432.99	393.33
Sales promotion expenses	1,162.06	1,087.41
Commission on sales	163.77	225.62
Freight and forwarding	509.03	411.94
Allowance for credit loss (net) (refer note 42)	8.93	23.51
Contractual services	437.90	351.70
Non-executive directors remuneration (refer note 48)	19.04	15.72
Courier and telephone expenses	44.76	37.86
Legal and professional fees[i]	986.55	934.74
Corporate social responsibility (CSR) expenditure (refer note 49)	84.18	72.22
Donations[iv]	8.54	52.30
Research - clinical trials, samples and grants	376.16	430.46
Miscellaneous expenses [ii]	638.46	662.30
	6,657.90	**6,353.43**

i Includes payment to auditors aggregating to ₹ 8.30 Crores (31st March, 2024: ₹ 6.26 Crores)

ii Expense below 1% of revenue from operation is aggregated in accordance with Schedule III to the Companies Act, 2013.

iii. Revenue expenditure aggregating to ₹ 1,481.47 Crores (31st March, 2024: ₹ 1,521.87 Crores) on research and development activities to the in-house research of new products has been charged through natural heads of accounts.

iv. Includes Contribution to Political Parties as per Section 182 of Companies Act, 2013.

₹ in Crores

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Electoral Trust	-	39.20
	-	**39.20**

Notes to the Consolidated Financial Statements

Note 39(b): Exceptional item

₹ in Crores

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Impairment of Intangible asset and others#	-	194.82
	-	**194.82**

During the previous year, on 6th January, 2024, Cipla Technologies, LLC, a wholly owned step-down subsidiary of the Company, completed an amendment to the agreement for the development and commercialization of Pulmazole with Pulmatrix Inc. and agreed to terminate the Phase 2b clinical trials for development of Pulmazole and obtain exclusive rights for the development and commercialisation of Pulmazole in all countries except United States of America. Accordingly, an impairment charge for intangible assets of ₹ 183.19 Crores and wind-down cost (net) of ₹ 11.63 Crores had been recorded as an exceptional item.

Note 40: Other comprehensive income

₹ in Crores

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
A. (1) Items that will not be reclassified to profit or loss		
(i) Re-measurements of post-employment benefit obligation (attributable to owners of the company) [refer note 46 (d)]	(22.77)	(111.16)
(ii) Re-measurements of post-employment benefit obligation (Non-controlling interest) [refer note 46 (d)]	(0.61)	(0.01)
(iii) Changes in fair value of FVTOCI financial instruments	(42.73)	22.56
	(66.11)	**(88.61)**
(2) Income tax relating to items that will not be reclassified to profit or loss		
(i) Income tax relating to re-measurements of post-employment benefit obligation	5.74	28.03
(ii) Income tax relating to changes in fair value of FVTOCI financial instruments	4.20	(0.35)
	9.94	**27.68**
	(56.17)	**(60.93)**
B. (1) Items that will be reclassified to profit or loss		
(i) Exchange difference on translation of foreign operations (attributable to owners of the company)	268.82	(65.30)

Note 40: Other comprehensive income (Contd..)

₹ in Crores

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
(ii) Exchange difference on translation of foreign operations (Non-controlling interest)	2.17	3.27
(iii) Cash flow hedge (refer note 42)	5.17	3.44
	276.16	**(58.59)**
(2) Income tax relating to Items that will be reclassified to profit or loss		
(i) Income tax relating to cash flow hedge	(1.33)	(1.06)
	(1.33)	**(1.06)**
	274.83	**(59.65)**
	218.66	**(120.58)**

Note 41: Earnings per share (EPS)

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit attributable to equity shareholders and the weighted average number of shares outstanding are adjusted for the effect of all dilutive potential equity shares which includes all stock options granted to employees. The number of equity shares is the aggregate of the weighted average number of equity shares and the weighted average number of equity shares which are to be issued in the conversion of all dilutive potential equity shares into equity shares.

Dilutive potential equity shares are deemed to have been converted at the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

Disclosure as required by Indian Accounting Standard (Ind AS) 33 - *Earnings per share:*

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Basic Earnings per share		
Profit after tax attributable to equity shareholders as per profit or loss (₹ in Crores)	5,272.52	4,121.55
Basic weighted average number of equity shares outstanding	80,75,52,253	80,72,91,686
Basic earnings per share of par value ₹ 2/- per share	**65.29**	**51.05**

Notes to the Consolidated Financial Statements

Note 41: Earnings per share (EPS) (Contd..)

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Dilutive Earnings per share		
Weighted average number of equity shares outstanding	80,75,52,253	80,72,91,686
Add: Dilutive impact of employee stock options/ESAR	6,42,705	7,07,295
Diluted weighted average number of equity shares outstanding	**80,81,94,958**	**80,79,98,981**
Diluted earnings per share of par value ₹ 2/- per share	**65.24**	**51.01**

Note 42: Financial Instrument

A. Accounting classification and fair value measurement

The fair value of financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

The carrying amount of trade receivable, trade payable, lease liability, loans, cash and cash equivalents, other bank balances, fixed deposits and other receivables as at 31st March, 2025 and 31st March, 2024 are considered to be the same as their fair values, due to their short term nature.

Financial instruments with fixed and variable interest rates are evaluated by the Group based on parameters such as interest rate and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for the expected losses of these receivables.

Fair value hierarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of following:

Level 1 - category includes financial assets and liabilities, that are measured in whole or in significant part by reference to published quoted price (unadjusted) in an active market.

Level 2 - category includes financial assets and liabilities measured using a valuation technique based on assumptions that are supported by prices from observable current market transactions. These include assets and liabilities for which pricing is obtained via pricing services, but where prices have not been determined in an active market, financial assets with fair values based on broker quotes and assets that are valued using the Group's own valuation models whereby the material assumptions are market observable. The majority of Group's over-the-counter derivatives and several other instruments not traded in active markets fall within this category.

Level 3 - category includes financial assets and liabilities measured using valuation techniques based on non market observable inputs. This means that fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. However, the fair value measurement objective remains the same, that is, to estimate an exit price from the perspective of the Group. The main asset classes in this category are unlisted equity investments as well as unlisted funds.

Notes to the Consolidated Financial Statements

Note 42: Financial Instrument (Contd..)

The carrying value and fair value of financial instruments by categories as of 31st March, 2025 were as follows:

₹ in Crores

Particulars	Note	Carrying value					Fair Value			
		FVTPL	FVOCI							
		Mandatory Designation	Mandatory Designation	Designated upon initial recognition	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial assets:										
Non-Current Investments										
- Investments in equity instrument	7	0.00	-	444.74	-	**444.74**	-	-	444.74	**444.74**
- Investment in limited liability partnership firm	7	-	-	40.41	-	**40.41**	-	-	40.41	**40.41**
- Investment in Venture Funds	7	-	-	13.92	-	**13.92**	-	-	13.92	**13.92**
- Investment in National saving certificates	7	-	-	-	0.00	**0.00**	-	-	0.00	**0.00**
Non- Current Loans	8	-	-	-	32.54	**32.54**	-	-	-	**-**
Other Non-Current Financial Assets										
- Security Deposit	9	-	-	-	85.63	**85.63**	-	-	85.63	**85.63**
- Derivative instruments	9	1.00	10.76	-	-	**11.76**	-	11.76	-	**11.76**
- Fixed Deposit	9	-	-	-	171.33	**171.33**	-	-	-	**-**
- Others	9	-	-	-	14.74	**14.74**	-	-	14.74	**14.74**
Investments in mutual funds*	13	7,293.23	-	-	-	**7,293.23**	7,293.23	-	-	**7,293.23**
Trade receivables	14	-	-	-	5,506.37	**5,506.37**	-	-	-	**-**
Cash and Cash Equivalents	15	-	-	-	588.69	**588.69**	-	-	-	**-**
Other Bank Balances including earmarked balances with banks	16	-	-	-	211.15	**211.15**	-	-	-	**-**
Current Loans	17	-	-	-	15.64	**15.64**	-	-	-	**-**
Other Current Financial Assets										
- Security Deposit	18	-	-	-	14.93	**14.93**	-	-	14.93	**14.93**
- Derivative instruments	18	3.35	6.20	-	-	**9.55**	-	9.55	-	**9.55**
- Fixed Deposit	18	-	-	-	2,548.62	**2,548.62**	-	-	-	**-**
- Others	18	-	-	-	363.80	**363.80**	-	-	363.80	**363.80**
Financial liabilities:										
Lease Liability (Non Current)	2.2	-	-	-	240.49	**240.49**	-	-	-	**-**
Non Current Borrowings	23	-	-	-	11.98	**11.98**	-	-	11.98	**11.98**
Other Non-Current Financial Liabilities										
- Security Deposit	24	-	-	-	63.69	**63.69**	-	-	63.69	**63.69**
- Derivative instruments	24	30.81	-	-	-	**30.81**	-	30.81	-	**30.81**
- Deferred consideration	24	7.89	-	-	-	**7.89**	-	-	7.89	**7.89**
Current Borrowings	23	-	-	-	80.12	**80.12**	-	-	80.12	**80.12**
Lease Liability (Current)	2.2	-	-	-	105.60	**105.60**	-	-	-	**-**
Trade Payables	27	-	-	-	2,837.49	**2,837.49**	-	-	-	**-**
Other Current Financial Liabilities										
- Security Deposit	28	-	-	-	2.79	**2.79**	-	-	2.79	**2.79**
- Derivative instruments	28	29.13	0.16	-	-	**29.29**	-	29.29	-	**29.29**
- Deferred consideration	28	19.65	-	-	-	**19.65**	-	-	19.65	**19.65**
- Others	28	-	-	-	322.81	**322.81**	-	-	322.81	**322.81**

Notes to the Consolidated Financial Statements

Note 42: Financial Instrument (Contd..)

The carrying value and fair value of financial instruments by categories as of 31st March, 2024 were as follows:

₹ in Crores

Particulars	Note	Carrying value					Fair Value			
		FVTPL	FVOCI							
		Mandatory Designation	Mandatory Designation	Designated upon initial recognition	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial assets:										
Non-Current Investments										
- Investments in equity instrument	7	0.00	-	476.16	-	**476.16**	-	-	476.16	**476.16**
- Investment in limited liability partnership firm	7	-	-	29.72	-	**29.72**	-	-	29.72	**29.72**
- Investment in Venture Funds	7	-	-	6.28	-	**6.28**	-	-	6.28	**6.28**
- Investment in National saving certificates	7	-	-	-	0.00	**0.00**	-	-	0.00	**0.00**
Non- Current Loans	8	-	-	-	16.98	**16.98**	-	-	-	**-**
Other Non-Current Financial Assets										
- Security Deposit	9	-	-	-	75.20	**75.20**	-	-	75.20	**75.20**
- Derivative Instruments	9	8.20	0.11	-	-	**8.31**	-	8.31	-	**8.31**
- Fixed Deposit	9	-	-	-	410.85	**410.85**	-	-	-	**-**
- Others	9	-	-	-	14.20	**14.20**	-	-	14.20	**14.20**
Investments in mutual funds*	13	4,807.01	-	-	-	**4,807.01**	4,807.01	-	-	**4,807.01**
Trade receivables	14	-	-	-	4,770.66	**4,770.66**	-	-	-	**-**
Cash and Cash Equivalents	15	-	-	-	640.07	**640.07**	-	-	-	**-**
Other Bank Balances including earmarked balances with banks	16	-	-	-	234.90	**234.90**	-	-	-	**-**
Current Loans	17	-	-	-	0.24	**0.24**	-	-	-	**-**
Other Current Financial Assets										
- Security Deposit	18	-	-	-	14.71	**14.71**	-	-	14.71	**14.71**
- Derivative instruments	18	13.05	12.38	-	-	**25.43**	-	25.43	-	**25.43**
- Fixed Deposit	18	-	-	-	2,176.75	**2,176.75**	-	-	-	**-**
- Others	18	-	-	-	584.63	**584.63**	-	-	584.63	**584.63**
Financial liabilities:										
Lease Liability (Non Current)	2.2	-	-	-	225.42	**225.42**	-	-	-	**-**
Other Non-Current Financial Liabilities										
- Security Deposit	24	-	-	-	5.92	**5.92**	-	-	5.92	**5.92**
- Derivative Instruments	24	-	1.81	-	-	**1.81**	-	1.81	-	**1.81**
- Put option liability	24	42.02	-	-	-	**42.02**	-	-	42.02	**42.02**
- Deferred consideration	24	18.06	-	-	-	**18.06**	-	-	18.06	**18.06**
Current Borrowings	23	-	-	-	247.02	**247.02**	-	-	247.02	**247.02**
Lease Liability (Current)	2.2	-	-	-	86.97	**86.97**	-	-	-	**-**
Trade Payables	27	-	-	-	2,473.98	**2,473.98**	-	-	-	**-**
Other Current Financial Liabilities										
- Security Deposit	28	-	-	-	52.84	**52.84**	-	-	52.84	**52.84**
- Deferred consideration	28	109.09	-	-	-	**109.09**	-	-	109.09	**109.09**
- Others	28	-	-	-	330.21	**330.21**	-	-	330.21	**330.21**

*Mutual funds for which NAVs are published on daily basis are considered as quoted securities.

Notes to the Consolidated Financial Statements

Note 42: Financial Instrument (Contd..)

(i) There have been no transfer between Level 1 and Level 2 for the years ended 31st March, 2025 and 31st March, 2024.

(ii) Reconciliation of Level 3 fair values

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values

₹ in Crores

Particulars	Equity Securities	Other investments	Deferred consideration	Put option liability
Balance at 31st March, 2023	**440.99**	**40.63**	**49.79**	**39.24**
Addition during the year	-	6.02	107.74	-
Transfer out from Level 3	(0.60)	-	(31.90)	-
Net change in fair value (unrealised)	33.21	(10.65)	1.32	4.21
Foreign exchange gain/loss	2.56	-	0.20	(1.43)
Balance at 31st March, 2024	**476.16**	**36.00**	**127.15**	**42.02**
Addition during the year	-	17.83	9.96	-
Net change in fair value (unrealised)	(43.23)	0.50	-	2.04
Transfer out from Level 3	-	-	(115.44)	(43.14)
Foreign exchange gain/loss	11.81	-	5.87	(0.92)
Balance at 31st March, 2025	**444.74**	**54.33**	**27.54**	**-**

(iii) Valuation techniques and significant unobservable inputs:

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values for financial instruments in the consolidated balance sheet as well as the significant unobservable inputs used in measuring Level 3 fair value for financial instruments.

Particulars	Valuation technique	Significant unobservable inputs
Deferred consideration	Discounted cash flow method	Expected cash flows and Risk-adjusted discount rate
Investment (unquoted) (other than associates)	Discounted cash flow method and Market comparison technique based on market multiples derived from quoted prices of companies comparable to the investee	Expected cash flows, estimated EBITDA of the investee
Fair value of derivatives	The fair value is determined using quoted forward exchange rates at the reporting date	Not Applicable
Put option liability	Discounted cash flow method using risk adjusted discount rate.	Expected cash flows and Risk-adjusted discount rate

B. Financial risk management objectives and policies

The Group's activities expose to a various financial risks: market risk, credit risk and liquidity risk. The Group's primary focus is to foresee the unpredictability of financial markets and seek to minimise potential adverse effects on its financial performance.

The Group's financial liabilities comprise of borrowings, trade payable and other liabilities to manage its operation and financial assets includes trade receivables, security deposit, loan and advances etc., arises from its operation.

The Group has constituted a Risk Management Committee consisting of a majority of directors and senior managerial personnel. The Group has implemented a robust Business Risk Management framework to identify, evaluate business risks and opportunities. This framework seeks to create transparency, minimise adverse impact on the business objectives and enhance the Group's competitive advantage. The business risk framework defines the risk management approach across the enterprise at various levels including documentation and reporting. The framework has different risk models which help in identifying risks trend, exposure and potential impact analysis at a Group level.

The Audit Committee of the Board periodically reviews the risk management framework.

Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates and prices. The Group's size and operations result in it being exposed to the following market risks that arise from its use of financial instruments:

- currency risk;
- other price risk; and
- interest rate risk

Notes to the Consolidated Financial Statements

Note 42: Financial Instrument (Contd..)

The above risks may affect the Group's income and expenses, or the value of its financial instruments. The Group's exposure to and management of these risks are explained below.

(a) Currency risk:

The Group operates internationally and a major portion of the business is transacted in multiple currencies and consequently the Group is exposed to foreign exchange risk to the extent that there is mismatch between the currencies in which its sales and services and purchases from overseas suppliers in various foreign currencies. The Group also holds derivative financial instruments such as foreign exchange forward and currency option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The exchange rate between the Indian Rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently, the results of the Group's operations are affected as the Rupee (INR) fluctuate against US Dollar (USD), Euro (EUR), South African Rand (ZAR), Australian Dollar (AUD) and other currencies.

Note 42: Financial Instrument (Contd..)

Foreign exchange risk

(i) Foreign exchange derivatives and exposures outstanding at the year end:

₹ in Crores

Nature of instrument	Currency	Cross currency	As at 31st March, 2025	As at 31st March, 2024
Forward contracts - Sold	USD	INR	4,790.33	5,119.26
Foreign exchange currency option contracts - sold and bought	USD	INR	359.00	508.77
Forward contracts - Currency Swap Sold	ZAR	INR	470.75	437.00
Forward contracts - Sold	ZAR	INR	638.29	1,072.72
Forward contracts - Sold	AUD	INR	104.77	81.44
Forward contracts - Bought	USD	ZAR	236.61	99.16
Forward contracts - Bought	EUR	ZAR	85.25	24.15
Unhedged foreign exchange exposures:				
- Trade and other receivables			926.94	509.71
- Cash and cash equivalents			22.54	177.39
- Trade and other payables			(602.16)	(658.98)
- Borrowings			(39.26)	(101.19)

Note: The Group uses foreign exchange forward and currency option contracts for hedging purposes.

(ii) Foreign currency risk from financial instruments:

₹ in Crores

Particulars	As at 31st March, 2025					
	US dollars	Euro	GBP	ZAR	Others	Total
Trade and other receivables	566.06	74.73	129.90	68.98	87.27	926.94
Cash and cash equivalents	12.71	0.51	0.29	-	9.03	22.54
Trade and other payables	(405.02)	(142.33)	(33.29)	-	(21.52)	(602.16)
Borrowings	-	-	(39.26)	-	-	(39.26)
Net assets/(liabilities)	**173.75**	**(67.09)**	**57.64**	**68.98**	**74.78**	**308.06**

₹ in Crores

Particulars	As at 31st March, 2024					
	US dollars	Euro	GBP	ZAR	Others	Total
Trade and other receivables	414.39	19.14	52.97	-	23.21	509.71
Cash and cash equivalents	95.39	10.79	-	36.91	34.30	177.39
Trade and other payables	(361.08)	(164.95)	(72.60)	(7.16)	(53.19)	(658.98)
Borrowings	-	-	(101.19)	-	-	(101.19)
Net assets/(liabilities)	**148.70**	**(135.02)**	**(120.82)**	**29.75**	**4.32**	**(73.07)**

(iii) Sensitivity analysis

For the years ended 31st March, 2025 and 31st March, 2024, 5% strengthening of the Indian rupee (INR) against foreign currencies for the above mentioned financial assets/liabilities would (decrease)/increase the equity and profit or loss by the amounts shown below. A 5%

Notes to the Consolidated Financial Statements

Note 42: Financial Instrument (Contd..)

weakening of the Indian rupee (INR) and the respective currencies would lead to an equal but opposite effect. This analysis assumes that all other variables remain constant.

₹ in Crores

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Movement in exchange rate (Strengthening of INR)		
USD - INR	5%	5%
EUR - INR	5%	5%
GBP - INR	5%	5%
ZAR - INR	5%	5%
Other currency	5%	5%
Impact on profit/loss		
USD - INR	8.69	7.44
EUR - INR	3.35	6.75
GBP - INR	2.88	6.04
ZAR - INR	3.45	1.49
Other currency	3.74	0.22

(b) Other price risk

The Group is mainly exposed to the other price risk due to its investment in mutual funds. The other price risk arises due to uncertainties about the future market values of these investments. At 31st March, 2025, the investments in mutual funds amounts to ₹ 7,293.23 Crores (31st March, 2024: ₹ 4,807.01 Crores). These are exposed to price risk. The Group has laid policies and guidelines which it adheres to in order to minimise price risk arising from investments in mutual funds. A 1% increase/(decrease) in prices would increase/(decrease) the equity and profit or loss by the amounts shown below.

The Group is not an active investor in equity markets; it holds certain investments in equity for long term value accretion which are accordingly measured at fair value through Other Comprehensive Income. The value of investments in such equity instruments as at 31st March, 2025 is ₹ 499.07 Crores (31st March, 2024: ₹ 512.16 Crores). Accordingly, fair value fluctuations arising from market volatility is recognised in Other Comprehensive Income.

Note 42: Financial Instrument (Contd..)

₹ in Crores

Particulars	As at 31st March, 2025	As at 31st March, 2024
Impact on profit/loss		
Increase by 1%	72.93	48.07
Decrease by 1%	(72.93)	(48.07)
Impact on other comprehensive income/loss		
Increase by 1%	4.99	5.12
Decrease by 1%	(4.99)	(5.12)

(c) Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing financial assets or borrowings because of fluctuations in the interest rates if such assets/borrowings are measured at fair value through profit or loss. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing borrowings will fluctuate because of fluctuations in the interest rates.

The Group's interest rate risk mainly arises from borrowings with variable rates and investments in short term deposits. Considering the short term nature, there is no significant interest rate risk pertaining to short term deposit.

The Group also invests in debt mutual fund schemes of leading fund houses. Such investments are susceptible to market price risks that arise mainly from changes in interest rate which may impact the return and value of such investments. However, given the relatively short tenure of underlying portfolio of the debt mutual fund schemes in which the Group has invested, such price risk is not significant.

Exposure to interest rate risk

The borrowings profile of the Group's interest-bearing financial instruments is as follows:

₹ in Crores

Particulars	As at 31st March, 2025	As at 31st March, 2024
Variable rate instruments		
Financial liabilities	92.10	247.02

Note 42: Financial Instrument (Contd..)

₹ in Crores

Particulars	As at 31st March, 2025			As at 31st March, 2024		
	Weighted average interest cost	Balance	% of total loans	Weighted average interest cost	Balance	% of total loans
Borrowings (Net exposure to cash flow interest rate risk)	7.48%	92.10	100%	8.02%	247.02	100%

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 50 basis points in interest rates at the reporting date would have increase/(decrease) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

₹ in Crores

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Impact on profit/loss		
Increase	(0.46)	(1.24)
Decrease	0.46	1.24

The risk estimates provided assume a parallel shift of 50 basis points interest rate across all yield curves. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end

Notes to the Consolidated Financial Statements

Note 42: Financial Instrument (Contd..)

balances are not necessarily representative of the average debt outstanding during the year.

The Group does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss, and the Group does not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities. The Group establishes an allowance for credit losses and impairment that represents its estimate of expected losses in respect of trade and other receivables, cash and cash equivalents and investments. The management have evaluated receivable from customers based out of Sri Lanka in view of ongoing economic crisis and have concluded that there is no increase in credit risk as on 31st March, 2024 from such receivables on account of business continuity. The carrying value of financial assets represents the maximum credit risk. The maximum exposure to credit risk was ₹ 6,508.78 Crores and ₹ 5,970.60 Crores, as at 31st March, 2025 and 31st March, 2024 respectively, being the total carrying value of trade receivables, investments in debt securities, loans, derivative assets and other financial assets.

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business.

Cash and cash equivalents and investments:

Credit risk on cash and cash equivalents is limited as the Group generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. The Group limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating.

The Group does not expect any losses from non-performance by these counterparties, and does not have any significant concentration of exposures to specific industry sectors or specific country risks.

Details of financial assets – not due, past due and impaired

None of the Group's cash equivalents, including term deposits (i.e., certificates of deposit) with banks, were past due or impaired as at 31st March, 2025.

For ageing analysis of the receivable (gross of provision) - Refer note 14

Expected credit loss:

In accordance with Ind AS 109 - Financial Instruments, the Group uses the expected credit loss ("ECL") model for measurement and recognition of impairment loss on its trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of 'Ind AS 115 - Revenue from Contracts with Customers'. For this purpose, the Group uses a provision matrix to compute the expected credit loss amount for trade receivables. The provision matrix takes into account external and internal credit risk factors and historical data of credit losses from various customers. The default in collection as a percentage to total receivable is low and overall expected credit loss is not material to these financial statements.

The details of changes in allowance for credit losses during the year ended 31st March, 2025 and 31st March, 2024 for trade and other receivables are as follows:

₹ in Crores

Particulars	Other receivables		Trade receivables	
	For the year ended 31st March, 2025	For the year ended 31st March, 2024	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Opening Balance	**3.65**	**4.13**	**139.29**	**125.30**
Provided during the year	0.61	3.19	27.15	45.85
Reversal of provision during the year	-	-	(18.22)	(22.34)
Written off/back during the year	(2.37)	(3.67)	(42.34)	(8.90)
Effects of changes in foreign exchange rate	-	-	(4.87)	(0.62)
Addition through business combination	-	-	0.48	-
Closing Balance	**1.89**	**3.65**	**101.49**	**139.29**

Liquidity risk

Liquidity risk is the risk that the Group will face in meeting its obligations associated with its financial liabilities. The Group's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions. The Group maintained a cautious liquidity strategy, with a positive cash balance throughout the year ended 31st March, 2025 and 31st March, 2024. Cash flow from operating activities provides the funds to service the financial liabilities on a day-to-day basis. The Group regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short-term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in interest bearing term deposits and other highly marketable debt investments with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

Notes to the Consolidated Financial Statements

Note 42: Financial Instrument (Contd..)

The table below provides details regarding the contractual maturities of significant financial liabilities as of 31st March, 2025:

₹ in Crores

Particulars	Less than 1 year	1-5 years	Above 5 years	Total
Non-derivative :				
Current borrowings	80.12	-	-	**80.12**
Non-current borrowings	-	11.98	-	**11.98**
Trade payables	2,837.49	-	-	**2,837.49**
Other financial liabilities	345.25	71.58	-	**416.83**
Lease liabilities (on undiscounted basis)	116.06	267.79	75.55	**459.40**
Derivative:				
Derivative designated as hedge	0.16	-	-	**0.16**
Derivative not designated as hedge	29.13	30.81	-	**59.94**
	3,408.21	**382.16**	**75.55**	**3,865.92**

The table below provides details regarding the contractual maturities of significant financial liabilities as of 31st March, 2024:

₹ in Crores

Particulars	Less than 1 year	1-5 years	Above 5 years	Total
Non-derivative :				
Current borrowings	247.02	-	-	**247.02**
Trade payables	2,473.98	-	-	**2,473.98**
Other financial liabilities	492.14	66.00	-	**558.14**
Lease liabilities (on undiscounted basis)	96.28	215.39	103.96	**415.63**
Derivative:				
Derivative designated as hedge	-	1.81	-	**1.81**
	3,309.42	**283.20**	**103.96**	**3,696.58**

Impact of hedging

The Group uses foreign exchange forward/options contracts to hedge against the foreign currency risk of highly probable USD, AUD, EUR and ZAR sales. Such derivative financial instruments are governed by the Group's policies approved by the Board of Directors, which provide written principles on the use of such instruments consistent with the Group's risk management strategy. As the value of the derivative instrument generally changes in response to the value of the hedged item, the economic relationship is established.

a) Disclosure of effects of hedge accounting in Group's balance sheet

₹ in Crores

Type of hedge and risks	Nominal amount	Carrying amount		Maturity date	Hedge ratio*	Weighted average strike price/rate
		Assets	Liabilities			
31st March, 2025						
Cash flow hedge						
Foreign exchange risk						
Foreign exchange forward contracts (refer note 9 & 18)	321.86	3.41	-	April 2025 - March 2026	1:1	USD 1 = ZAR 18.41 EUR 1 = ZAR 20.09
Foreign exchange forward contracts (refer note 24 & 28)	3,960.31	-	17.91	April 2025- September 2026	1:1	AUD 1 = ₹ 56.77 USD 1 = ₹ 86.55 ZAR 1 = ₹ 4.51
Foreign exchange currency options contracts - Sold (refer note 24 & 28)	359.00	-	3.17	May 2025- July 2026	1:1	USD 1 = ₹ 87.92
Foreign exchange currency options contracts - Bought (refer note 9 & 18)	359.00	5.33	-	May 2025- July 2026	1:1	USD 1 = ₹ 86.72
Fair value hedge						
Foreign exchange risk						
Foreign exchange currency swap contracts (refer note 24 & 28)	470.75	-	30.81	March 2029- October 2029	1:1	ZAR 1= ₹ 4.43
Foreign exchange forward contracts (refer note 9 & 18)	1,573.09	4.35	-	April 2025- March 2028	1:1	USD 1= ₹ 87.67 ZAR 1= ₹ 4.35 AUD= ₹ 54.96

Notes to the Consolidated Financial Statements

Note 42: Financial Instrument (Contd..)

₹ in Crores

Type of hedge and risks	Carrying amount			Maturity date	Hedge ratio*	Weighted average strike price/rate
	Nominal amount	Assets	Liabilities			
31st March, 2024						
Cash flow hedge						
Foreign exchange risk						
Foreign exchange forward contracts (refer note 9 & 18)	123.31	1.08	-	April 2024 - March 2025	1:1	USD 1 = ZAR 18.91 EUR 1 = ZAR 20.82
Foreign exchange forward contracts (refer note 9 & 18)	3,723.38	21.56	-	April 2024 - September 2025	1:1	USD 1 = ₹ 84.57 ZAR 1 = ₹ 4.45 AUD 1 = ₹ 57.03
Foreign exchange currency options contracts - Sold (refer note 24 & 28)	508.77	-	3.65	April 2024 - July 2025	1:1	USD 1 = ₹ 85.34
Foreign exchange currency options contracts - Bought (refer note 9 & 18)	508.77	4.33	-	April 2024 - July 2025	1:1	USD 1 = ₹ 83.94
Fair value hedge						
Foreign exchange risk						
Foreign exchange currency swap contracts	437.00	2.39	-	March 2029- October 2029	1:1	ZAR 1= ₹ 4.43
Foreign exchange forward contracts (refer note 9 & 18)	2,550.04	6.22	-	April 2024- March 2028	1:1	USD 1= ₹ 83.93 ZAR 1= ₹ 4.23

* The foreign currency forward contracts and currency option contracts are denominated in the same currency as the highly probable future sales, therefore hedge ratio of 1:1

b) Disclosure of effects of hedge accounting in Group's profit or loss and other comprehensive income

₹ in Crores

Type of hedge	Change in the value of the hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedge reserve to profit and loss
31st March, 2025			
Cash flow hedge			
i) Foreign exchange risk contracts (refer note 40)	(49.78)	-	54.95
31st March, 2024			
Cash flow hedge			
i) Foreign exchange risk contracts (refer note 40)	40.15	-	(36.71)

Hedge effectiveness is determined at the inception of hedge relationship, and through periodic prospective effectiveness assessment to ensure that an economic relationships exists between the hedged item and hedging instruments. It is calculated by comparing changes in fair value of the hedged item, with the changes in fair value of the hedging instrument.

If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for in profit or loss at the time of the hedge relationship rebalancing.

c) Movement in cash flow hedge reserve and cost of hedge reserve

₹ in Crores

Derivative Instruments	Foreign exchange forward/ currency options contracts	
	As at 31st March, 2025	As at 31st March, 2024
Cash flow hedging reserve		
Opening balance	**5.85**	**3.47**
Add: Changes in fair value	(49.78)	40.15
Less: Amount reclassified to profit or loss	54.95	(36.71)
Less: Deferred tax relating to above (net)	(1.33)	(1.06)
Closing balance	**9.69**	**5.85**

Notes to the Consolidated Financial Statements

Note 43: Capital Management

(A) Risk Management

The Group's objectives when managing capital are to safeguard their ability to continue as a going concern so that they can continue to provide returns for shareholders and benefits for other stakeholders, and maintain an optimal structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amounts of dividends paid to shareholders, return capital to shareholders, issue new shares or sell new assets to reduce debt. Consistent with others in Industry, the Group monitors capital on the basis of the following gearing ratio: (net debt divided by total 'equity').

Net debt = Total borrowings (including lease liabilities) less (Cash and cash equivalents + Bank balance other than cash and cash equivalents (excluding balance earmarked for unclaimed dividend) + Current investments + Fixed deposit).

Total 'equity' as shown in the balance sheet, including non-controlling interest.

₹ in Crores

Particulars	As at 31st March, 2025	As at 31st March, 2024
Total debt	438.19	559.41
Less: Cash and cash equivalents including mutual fund and bank deposit	10,806.69	8,267.30
Net debt (A)	**(10,368.50)**	**(7,707.89)**
Total equity (B)	**31,289.25**	**26,802.33**
Net debt to equity ratio (A/B)	**(0.33)**	**(0.29)**

(B) Loan covenants

The Group has complied with all the financial covenants throughout the reporting periods.

(C) Dividend on equity share

₹ in Crores

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
(a) Dividend on equity shares paid during the year		
Final dividend for the year [FY 2023-24: ₹ 13 (FY 2022-23: ₹ 8.50) per equity share of ₹ 2.00 each]	1,049.83	686.17
	1,049.83	**686.17**
(b) Proposed dividend on equity share not recognised as liability	**1,292.19**	**1,049.58**

The Board of Directors of the Company at its meeting held on 13th May, 2025 has recommended a final dividend of ₹ 13/- per equity share for the financial year ended 31st March, 2025 and a special dividend of ₹ 3/- per equity share on the occasion of completing 90 years of the Company, taking the total dividend to ₹ 16/- per equity share (face value ₹ 2 each). The dividend is subject to approval of the shareholders at the ensuing annual general meeting of the Company and hence it is not recognised as liability.

Note 44: Meditab Specialities Limited status as NBFC

During the previous year ended 31st March, 2024, the Meditab Specialities Limited's, ('the Subsidiary Company') financial assets exceeded 50% of its total assets and financial income exceeded 50% of its total income. Based on the principal business criteria set out in the Reserve Bank of India's (RBI) Press Release No. 1998-99/1269 dated 8th April, 1999, the subsidiary company was incidentally classified as a Non-Banking Financial Company (NBFC) for the said period. This surge in financial income was primarily due to certain exceptional / one-time gain from buyback proceeds and the receipt of non-recurring high dividend from its wholly owned subsidiaries. However, since the subsidiary company did not meet the requirement of having at least 90% of its net assets invested in securities of group companies, it did not qualify as an Unregistered Core Investment Company (CIC). Consequently, it was not eligible for exemption from mandatory registration as NBFC with the Reserve Bank of India under Section 45-IA of the Reserve Bank of India Act, 1934. Since the subsidiary company's main / continuing business is manufacturing, trading and dealing in pharmaceutical products and not of an NBFC, the subsidiary company has applied to the RBI for exemption from registration as an NBFC for FY 2023-24 under Section 45-IA of the Reserve Bank of India Act, 1934. As of the date of authorisation of the consolidated financial statements, the subsidiary company is awaiting a response from the RBI regarding its exemption request.

For the year ended 31st March, 2025, since the financial income did not exceed 50% of the total income, it does not qualify as NBFC.

Note 45: Contingent liabilities, commitments and other litigations (to the extent not provided for)

A. Details of contingent liabilities and commitments

₹ in Crores

Particulars	As at 31st March, 2025	As at 31st March, 2024
Contingent liabilities		
Claims against the Group not acknowledged as debt [i]	134.03	149.35
Guarantees excluding financial guarantees	209.97	190.57
Letters of credit	65.34	14.94
Income tax on account of disallowances/additions[vi]	152.17	20.22
Excise duty/service tax/GST on account of valuation or cenvat credit	372.96	257.49
Sales tax on account of credit/ classification	1.57	1.39
	936.04	**633.96**
Commitments		
Estimated amount of contracts unexecuted on capital account	2,712.24	1,997.80
Uncalled liability on committed investments	48.87	59.95

Notes to the Consolidated Financial Statements

Note 45: Contingent liabilities, commitments and other litigations (to the extent not provided for) (Contd..)

Note:

(i) Claims against the Group not acknowledged as debt include claims related to pricing, commission, etc.

(ii) It is not practicable for the Group to estimate the timing of cash outflows, if any, in respect of our pending resolution of the respective proceedings as it is determined only on receipt of judgements/decisions pending with various authorities.

(iii) The Group does not expect any reimbursements in respect of the above contingent liabilities.

(iv) The Group's pending litigations comprise of proceedings pending with various direct tax, indirect tax and other authorities. The Group has reviewed all pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in the financial statements. The Group does not expect the outcome of these proceedings to have a materially adverse effect on the financial statements.

(v) There has been a judgement by the Honourable Supreme Court of India dated 28th February, 2019, relating to components of salary structure that need to be taken into account while computing the contribution to provident fund under the Employee Provident Fund Act, 1952 ("EPF"). In view of the interpretative aspects related to the judgement including the effective date of application, the Group has been advised to await further developments in this matter. The Group will continue to assess any further developments in this matter for the implications on financial statements, if any.

(vi) The contingent liabilities related to income tax include disputed disallowances based on orders from the Income Tax Department. These orders pertain to the re-assessments for the assessment years 2015-16 to 2019-20 and the assessments for the years 2020-21 to 2022-23. These liabilities arose from the Survey and Search action conducted under Section 132 of the Income Tax Act on the Holding Company in February 2023.

B. Details of other litigations:-

(i) The National Pharmaceutical Pricing Authority ("NPPA") issued several demand notices to the Company commencing from the year 1998 seeking recovery of alleged overcharge regarding scheduled drugs under the Drugs (Prices Control) Orders-1995 ("DPCO") .

In 1999 and 2000, the Company filed writ petitions before the Hon'ble Bombay High Court ("Bombay HC") challenging inclusion of certain drugs under DPCO and challenging the demand notices issued by NPPA demanding payment of alleged overcharged amounts. On 31st August, 2001, by way of its common judgment, the Bombay HC decided the writ petitions in favor of the Company, thereby holding that these drugs do not fall within the purview of DPCO and also quashed the demand notices raised by NPPA. The NPPA appealed the order to the Hon'ble Supreme Court ("SC").

On 1st August, 2003, SC set aside the Bombay HC judgment and remanded the matter to the Bombay HC for being considered afresh by it. Further, the SC stayed recovery of 50% of the alleged overcharged amounts subject to payment of the remaining 50% of the alleged overcharged amounts pending fresh determination by the Bombay HC. Accordingly, in terms of SC's Judgment the Company deposited an amount of ₹ 175.08 Crores with NPPA, representing 50% of the alleged overcharged amounts in respect of demand notices raised till 2003.

Post 2003, the company continued to receive demands ("Subsequent demands") alleging overcharging. These demands included several duplicate demands. In 2019, the Company applied to the Bombay HC to amend its pleadings to include: (i) subsequent demands (ii) and take on record the NPPA/Government of India's RTI response on unavailability of any records pertinent to and what should have been the basis for inclusion of these drugs under the DPCO (iii) deduction of trade margin of 16% from outstanding demands (as having not accrued to the Company, as manufacturer) basis the Allahabad HC's TC Healthcare judgment (iv) re-calculation of interest from the due date of demand notice and (v) duplication of several demands.

The Bombay HC vide order dated 23rd February, 2024 allowed the amendment conditional upon the Company depositing 50% of the subsequent demands raised. The Company appealed the Bombay HC order in a special leave petition before the SC. On 19th April, 2024, the SC was pleased to issue notice and the matter is pending to be heard further.

The Company has reviewed all the notices/communications received which are attributable to the Company and are under litigation. After removing duplications as indicated above, the amount covered by the notices/communications aggregates to ₹ 2,011 Crores with the principal of ₹ 863 Crores and interest of ₹ 1,148 Crores. The Company has been legally advised that it expects a favourable outcome in respect of this matter and therefore no provision is considered necessary in respect of the demand notices till date.

(ii) In March 2006, the Meditab Specialities Limited, ('the Subsidiary Company') acquired on lease, land admeasuring 1,232,000 sq. m in Kerim and Khandepar, Taluka Ponda, Goa from Goa Industrial Development Corporation (GIDC) for setting up and development of Special Economic Zone (SEZ) for pharmaceutical products. On account of public agitation, the State Government of Goa brought about changes in policy regarding SEZ in the State of Goa which had the effect of the Subsidiary Company not pursuing its

Notes to the Consolidated Financial Statements

Note 45: Contingent liabilities, commitments and other litigations (to the extent not provided for) (Contd..)

development activity and GIDC on instructions of the State Government of Goa issued show cause for revoking allotment of land. The Subsidiary Company filed a Writ Petition (WP) before the Bombay High Court challenging the said show cause notice. The said WP was disposed by the High Court principally holding that the State Government of Goa was competent to alter the SEZ policy. Aggrieved by the said Judgement, the Subsidiary Company preferred a Special Leave Petition (SLP) before the Honourable Supreme Court. The Honourable Supreme Court was pleased to admit the SLP and directed that status quo be maintained. The said order of status quo continues to remain in force as on date.

While the matter was pending before the Honourable Supreme Court, the parties initiated discussions to explore the possibility of an amicable resolution and consequently, on account of multiple rounds of discussions, Goa Government vide letter number GOA-IDC/ED/SEZ/81 dated 18th April, 2025 agreed to settle the claims of the Subsidiary Company in exchange for a consideration of ₹ 33.00 Crores against the Subsidiary Company returning the said land and withdrawing all litigations. Accordingly, the parties are currently undertaking the necessary steps to formalize the settlement. Further, considering the consideration would be received in lieu of the leased land, the Subsidiary Company has transferred the leased land from capital work-in-progress to other financial assets amounting to ₹ 10.47 Crores.

Note 46: Employee Benefits

Employee benefit expense of the Group includes various short term employee expenses, defined benefits expenses, expenses toward defined contribution on plans and other long-term employee benefits. Total employee benefits, including Share based payments, incurred during the years ended 31st March, 2025 and 31st March, 2024 amounted to ₹ 4,832.83 Crores and ₹ 4,310.04 Crores respectively.

Disclosure in respect of contributions to provident and other funds as follows-

₹ in Crores

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Defined contribution plans		
Employees' pension scheme	42.37	44.38
Provident fund	23.70	21.08
Contribution for 401(k) fund*	21.19	21.22
Others - ESIS, Labour welfare fund, etc.	11.89	14.14
	99.15	**100.82**

Note 46: Employee Benefits (Contd..)

₹ in Crores

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Defined benefit plans		
Gratuity (refer table 1 below)	41.78	20.86
Provident fund (refer table 2 below)	55.83	49.37
	97.61	**70.23**
Total contribution to provident fund and other fund	**196.76**	**171.05**

*The Group maintains a 401(k) plan, pursuant to which employees may make contributions which are not to exceed statutory limits. Employer matching contribution are equal to 100% of employee contribution.

Disclosure in respect of defined benefit plan :

a. Description of the plans:

Retirement benefit plans of the Group include gratuity for the Holding Company, certain Indian subsidiaries and provident fund for the Holding Company which are funded. Also, in respect of certain Indian subsidiaries, the gratuity liability is unfunded. Liabilities in respect of the Gratuity Plan are determined by an actuarial valuation, based upon which the Holding Company and certain Indian subsidiaries make contributions to the Gratuity Fund. Provident Fund is managed by the Holding Company through trust Employees Provident Fund (the "Provident Fund").

b. Governance of the plan:

The Holding Company and certain Indian subsidiaries has set up an income tax approved irrevocable trust fund to finance the plan liability. The trustees of the trust fund are responsible for the overall governance of the plan in accordance with the provisions of the trust deed and rules in the best interests of the plan participants. They are tasked with periodic reviews of the solvency of the fund and play a role in the long-term investment, risk management and funding strategy.

Further, since these funds are income tax approved, the Company and the trustees have to ensure that they are at all times fully compliant with the relevant provisions of the Income Tax Act, 1961 and Rules.

c. Investment strategy:

The Holding Company and certain Indian subsidiaries' investment strategy in respect of their funded plans is implemented within the framework of the applicable statutory requirements. The plans expose these companies to a number of actuarial risks such as investment risk, interest rate risk, longevity risk and inflation risk. The companies have developed policy guidelines for the allocation of assets to different classes with the objective of controlling risk and

Notes to the Consolidated Financial Statements

Note 46: Employee Benefits (Contd..)

maintaining the right balance between risk and long-term returns in order to limit the cost to these companies of the benefits provided. To achieve this, investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets.

d. Table 1: Disclosures for defined benefit plans based on actuarial reports

₹ in Crores

Particulars	Year ended 31st March, 2025			Year ended 31st March, 2024		
	Gratuity (Funded)	Gratuity (Unfunded)	Total	Gratuity (Funded)	Gratuity (Unfunded)	Total
i. Change in defined benefit obligation						
Opening defined benefit obligation	328.41	1.30	329.71	196.64	1.65	198.29
Liability - transferred in/(out)	0.15	(0.03)	0.12	0.67	(0.65)	0.02
Interest cost	22.39	0.09	22.48	14.25	0.08	14.33
Current service cost	35.22	0.23	35.45	20.76	0.18	20.94
Actuarial changes arising from changes in demographic assumptions	(0.60)	-	(0.60)	13.30	(0.01)	13.29
Actuarial changes arising from changes in financial assumptions	16.40	0.63	17.03	80.94	0.04	80.98
Actuarial changes arising from changes in experience assumptions	15.22	1.96	17.18	21.82	0.05	21.87
Benefits paid	(28.90)	(0.15)	(29.05)	(19.97)	(0.04)	(20.01)
Liability at the end of the year	**388.29**	**4.03**	**392.32**	**328.41**	**1.30**	**329.71**
ii. Change in fair value of assets						
Opening fair value of plan assets	226.21	-	226.21	192.60	-	192.60
Assets transferred out/divestments	(0.01)	-	(0.01)	-	-	-
Expected return on plan assets	16.16	-	16.16	14.41	-	14.41
Return on plan assets excluding interest income	10.23	-	10.23	4.97	-	4.97
Contributions by employer	132.21	-	132.21	34.66	-	34.66
Benefits paid	(28.31)	-	(28.31)	(20.43)	-	(20.43)
Closing fair value of plan assets	**356.49**	**-**	**356.49**	**226.21**	**-**	**226.21**
iii. Amount recognised in balance sheet						
Present value of obligations as at year end	(388.29)	(4.03)	(392.32)	(328.41)	(1.30)	(329.71)
Fair value of plan assets as at year end	356.49	-	356.49	226.21	-	226.21
Net asset/(liability) recognised	**(31.80)**	**(4.03)**	**(35.83)**	**(102.20)**	**(1.30)**	**(103.50)**
iv. Expenses recognised in profit or loss						
Current service cost	35.22	0.23	35.45	20.76	0.18	20.94
Past service cost	-	-	-	-	-	-
Interest on defined benefit obligation	22.39	0.09	22.48	14.25	0.08	14.33
Expected return on plan assets (interest income only)	(16.15)	-	(16.15)	(14.41)	-	(14.41)
Total expense recognised in profit or loss	**41.46**	**0.32**	**41.78**	**20.60**	**0.26**	**20.86**
v. Expenses recognised in other comprehensive income						
Actuarial changes arising from changes in demographic assumptions	(0.60)	-	(0.60)	13.30	(0.01)	13.29
Actuarial changes arising from changes in financial assumptions	16.40	0.63	17.03	80.94	0.04	80.98
Actuarial changes arising from changes in experience assumptions	15.22	1.96	17.18	21.82	0.05	21.87
Actuarial (gain)/loss return on plan assets, excluding interest income	(10.23)	-	(10.23)	(4.98)	-	(4.98)
Net (income)/expense for the period recognised in OCI	**20.79**	**2.59**	**23.38**	**111.09**	**0.08**	**111.17**
vi. Actual return on plan assets						
Expected return on plan assets	16.15	-	16.15	14.41	-	14.41
Actuarial gain/(loss) on plan assets	10.23	-	10.23	4.97	-	4.97
Actual return on plan assets	**26.38**	**-**	**26.38**	**19.38**	**-**	**19.38**

Notes to the Consolidated Financial Statements

Note 46: Employee Benefits (Contd..)

₹ in Crores

Particulars	Year ended 31st March, 2025			Year ended 31st March, 2024		
	Gratuity (Funded)	Gratuity (Unfunded)	Total	Gratuity (Funded)	Gratuity (Unfunded)	Total
vii. Asset information						
Insurer managed funds	100%	-	-	100%	-	-
viii. Expected employer's contribution for the next year	**41.74**	**0.10**	**41.83**	**41.00**	**0.07**	**41.07**

The actuarial calculations used to estimate commitments and expenses in respect of gratuity and compensated absences [refer note 46(g)] are based on the following assumptions which if changed, would affect the commitment's size, funding requirements and expense:

Principal actuarial assumptions used	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Financial assumptions:		
Discounted rate (per annum)	6.65% to 6.78%	7.19% to 7.24%
Expected rate of return on plan assets	6.65% to 6.78%	7.19% to 7.24%
Expected rate of future salary increase		
- For the next 1 year	7% to 9%	7% to 9%
- Thereafter starting from the 2nd/3rd year	5% to 9%	5% to 9%
Demographic assumptions:		
Mortality rate (Holding Company)	Indian assured lives Mortality (2012-14) Urban	Indian assured lives Mortality (2012-14) Ultimate
Mortality rate (Indian Domestic Subsidiaries)	Indian assured lives Mortality (2006-08) Ultimate / Urban	Indian assured lives Mortality (2006-08) Ultimate
Retirement age	60 years	60 years
Attrition rate		
- For Service 2 years and below	20%-25%	25.00%
- For Service 3 years to 4 years	13%-20%	15%-20%
- For Service 5 years and above	5%-10%	5%-10%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in employment market. Discount rate and expected rate of return are determined by reference to market yields at the end of the reporting period on government bonds.

The sensitivity analysis below has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

₹ in Crores

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Discount rate (1% movement increase)	(26.76)	(26.07)
Discount rate (1% movement decrease)	33.28	23.63

₹ in Crores

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Future salary growth (1% movement increase)	34.41	25.04
Future salary growth (1% movement decrease)	(27.58)	(26.60)
Attrition rate (1% movement increase)	3.29	2.33
Attrition rate (1% movement decrease)	(3.69)	(2.60)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using

Notes to the Consolidated Financial Statements

Note 46: Employee Benefits (Contd..)

the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the Balance Sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Maturity analysis of the benefit payments from the fund:

₹ in Crores

Projected benefits payable in future years from the date of reporting	As at 31st March, 2025	As at 31st March, 2024
1st following year	37.71	36.60
2nd following year	38.17	29.49
3rd following year	36.29	33.16
4th following year	35.80	31.02
5th following year	35.45	30.42
Sum of years 6th to 10th	165.01	140.13
Sum of years 11 and above	381.56	341.41

The weighted average duration of the defined plan obligation at the end of the reporting period is 7.38 to 12 years (31st March, 2024: 7.47 to 13 years)

e. Table 2: The details of the Group's defined benefit plans in respect of the owned provident fund trust for the Holding Company based on actuarial report

₹ in Crores

Particulars	31st March, 2025 Provident Fund (Funded Plan)	31st March, 2024 Provident Fund (Funded Plan)
i. Change in defined benefit obligation		
Opening defined benefit obligation	1,437.35	1,304.82
Interest cost	119.92	106.23
Current service cost	55.83	49.37
Employee contribution	130.35	117.07
Liability transferred in	39.13	29.17
Benefits paid	(192.89)	(198.29)
Actuarial changes arising from changes in demographic assumptions	-	-
Actuarial changes arising from changes in financial assumptions	-	5.13
Actuarial changes arising from changes in experience assumptions	4.20	23.85
Liability at the end of the year	**1,593.89**	**1,437.35**
ii. Change in fair value of assets		
Opening fair value of plan assets	1,441.33	1,307.68
Expected return on plan assets	119.92	106.23
Actuarial gain	4.20	28.98
Contributions by employer/employee	186.18	166.44
Transfer of plan assets	39.13	29.17
Benefits paid	(192.89)	(198.29)

Note 46: Employee Benefits (Contd..)

₹ in Crores

Particulars	31st March, 2025 Provident Fund (Funded Plan)	31st March, 2024 Provident Fund (Funded Plan)
Other adjustments	0.49	1.12
Closing fair value of plan assets	**1,598.36**	**1,441.33**
iii. Amount recognised in balance sheet		
Present value of obligations as at year end	(1,593.89)	(1,437.35)
Fair value of plan assets as at year end	1,598.36	1,441.33
Funded status	(4.47)	(3.98)
Net asset/(liability) recognised	**-**	**-**
iv. Expenses recognised in profit or loss		
Current service cost	55.83	49.37
Past service cost	-	-
Interest cost	119.92	106.23
Expected return on plan assets	(119.92)	(106.23)
Total expense recognised in profit or loss	**55.83**	**49.37**
v. Actual return on plan assets		
Expected return on plan assets	119.92	106.23
Actuarial gain on plan assets	4.20	28.98
Actual return on plan assets	**124.12**	**135.21**
vi. Asset information		
a. Quoted investments		
Investment in PSU bonds	635.14	516.68
Investment in government securities	695.58	680.68
Equity/insurer managed funds/ mutual funds	202.13	176.10
b. Unquoted investments		
Bank special deposit	15.58	15.58
Investment in other securities	49.93	52.29
Total assets at the end of the year	**1,598.36**	**1,441.33**
vii. Expected employer's contribution for the next year	**59.74**	**52.82**
viii. Principal actuarial assumptions used		
Discounted rate (per annum)	6.69%	7.20%
Expected rate of return on plan assets (per annum)	8.25%	8.25%
Expected rate of future salary increase (per annum)	9.00%	9.00%
Demographic assumptions:		
Mortality rate	Indian assured lives Mortality (2012-14) Ultimate	Indian assured lives Mortality (2012-14) Ultimate

Notes to the Consolidated Financial Statements

Note 46: Employee Benefits (Contd..)

Particulars	31st March, 2025 Provident Fund (Funded Plan)	31st March, 2024 Provident Fund (Funded Plan)
Retirement age	60 Years	60 Years
Attrition rate		
- For Service 2 years and below	25.00%	25.00%
- For Service 3 years to 4 years	20.00%	20.00%
- For Service 5 years and above	10.00%	10.00%

Sensitivity Analysis

₹ in Crores

Particulars	31st March, 2025		31st March, 2024	
Discount rate	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%
Increase/(decrease) in the defined benefit liability	(53.42)	87.21	(46.57)	76.70
Interest rate guarantee	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%
Increase/(decrease) in the defined benefit liability	81.27	(52.57)	71.53	(45.85)

The sensitivity analysis above has been determined based on reasonable possible changes of the respective assumption occurring at the end of the reporting period while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the Balance Sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Maturity analysis of the benefit payments from the fund

₹ in Crores

Projected benefits payable in future years from the date of reporting	As at 31st March, 2025	As at 31st March, 2024
1st following year	76.33	102.85
2nd following year	69.87	95.23
3rd following year	64.34	91.50
4th following year	63.82	92.99
5th following year	65.09	101.22
Sum of years 6th to 10th	329.72	515.94

f. There are no amounts included in the Fair Value of Plan Assets (Gratuity and Provident fund):

- Company's own financial instrument
- Property occupied by or other assets used by the Company

g. Compensated absences note:

The Group provides for accumulation of compensated absences by certain categories of its employees. These employees can carry forward a portion of the unutilised compensated absences and utilise them in future periods or receive cash in lieu thereof as per the Group's policy. The Group records a liability for compensated absences in the period in which the employee renders the services that increases this entitlement. The total liability recorded by the Group towards this obligation was ₹ 186.24 Crores and ₹ 165.08 Crores as at 31st March, 2025 and 31st March, 2024, respectively.

h. Cash settled share based payment:

Certain employees of the Group are eligible for share based payment awards that are settled in cash. These awards entitle the employees to a cash payment, on the exercise date, subject to vesting upon satisfaction of certain service conditions which range from one to four years. The amount of cash payment is determined based on the price of the Company's share price at the time of vesting. As of 31st March, 2025, there was ₹ 5.89 Crores (31st March, 2024: ₹ 20.05 Crores) of total unrecognised compensation cost related to unvested awards. This cost is expected to be recognised over a weighted-average period of 1 year.

This scheme does not involve dealing in or subscribing to or purchasing securities of the Company, directly or indirectly.

Notes to the Consolidated Financial Statements

Note 47: Share based payments

1. Parent Company

Cipla Limited

The expense recognised for employee services received during the year is shown in the following table:

₹ in Crores

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Expense arising from equity settled share based payment transactions (ESOS and ESAR)	27.43	25.09

A. Employee stock option scheme ('ESOS')

The Company has implemented Employee Stock Option Scheme 2013-A ('ESOS 2013 - A') as approved by the shareholders on 22nd August, 2013. The ESOS 2013-A Scheme covers the permanent employees of the Company and its subsidiaries and directors (excluding promoter directors) [collectively 'eligible employees']. The nomination and remuneration committee of the Board of Cipla Limited administers the ESOS 2013-A Scheme and grants stock options to eligible employees.

Details of the options granted during the year ended 31st March, 2025 and 31st March, 2024 under the Scheme are given below:

Scheme details	Grant date	No. of options granted	Exercise price (₹) per option	Vesting period	Exercise period
ESOS 2013 - A	12th May, 2023	1,37,733	2.00	2 Years	5 Years from vesting date
ESOS 2013 - A	12th May, 2023	23,896	2.00	1 Year	Within same calendar year of vesting
ESOS 2013 - A	10th May, 2024	16,584	2.00	1 Year	Within same calendar year of vesting
ESOS 2013 - A	10th May, 2024	16,584	2.00	1 Year, 11 months	Within same calendar year of vesting
ESOS 2013 - A	10th May, 2024	89,110	2.00	2 Years	5 Years from vesting date

The options are granted at an exercise price, which is in accordance with the relevant SEBI guidelines in force, at the time of such grants. Each option entitles the holder to exercise the right to apply for and seek allotment of one equity share of ₹ 2 each.

Weighted average share price for options exercised during the year 31st March, 2025:

Particulars	ESOS - 2013 - A
Weighted average share price (₹)	1,464.32

Weighted average share price for options exercised during the year 31st March, 2024:

Particulars	ESOS - 2013 - A
Weighted average share price (₹)	1,052.70

Stock option activity under the scheme(s) for the year ended 31st March, 2025 is set out below:

ESOS 2013 - A

Particulars	No. of options	Weighted average exercise price (₹) per option	Range of exercise price (₹) per option	Weighted average remaining contractual life (years)
Outstanding at the beginning of the year	**4,21,584**	**2.00**	**2.00**	**4.32**
Granted during the year	1,22,278	2.00	2.00	-
Forfeited/cancelled during the year	(19,169)	2.00	2.00	-
Lapsed during the year	-	2.00	2.00	-
Exercised during the year	(1,42,856)	2.00	2.00	-
Outstanding at the end of the year	**3,81,837**	**2.00**	**2.00**	**4.02**
Exercisable at the end of the year	1,64,824	2.00	2.00	2.85

Notes to the Consolidated Financial Statements

Note 47: Share based payments (Contd..)

Stock option activity under the scheme(s) for the year ended 31st March, 2024 is set out below:

ESOS 2013 - A

Particulars	No. of options	Weighted average exercise price (₹) per option	Range of exercise price (₹) per option	Weighted average remaining contractual life (years)
Outstanding at the beginning of the year	**4,24,447**	**2.00**	**2.00**	**4.29**
Granted during the year	1,61,629	2.00	2.00	-
Forfeited/cancelled during the year	(18,933)	2.00	2.00	-
Lapsed during the year	-	2.00	2.00	-
Exercised during the year	(1,45,559)	2.00	2.00	-
Outstanding at the end of the year	**4,21,584**	**2.00**	**2.00**	**4.32**
Exercisable at the end of the year	1,54,270	2.00	2.00	2.76

The Black Scholes valuation model has been used for computing weighted average fair value considering the following inputs:

ESOS 2013 - A	31st March, 2025	31st March, 2024
Expected dividend yield (%)	0.63%	0.53%
Expected volatility	26.28%	26.46%
Risk-free interest rate	6.99%	6.86%
Weighted average share price (₹)	1,358.80	943.60
Exercise price (₹)	2.00	2.00
Expected life of options granted in years	3.77	4.04
Weighted average fair value of options (₹)	1,325.44	922.12

B. Employee Stock Appreciation Rights ("ESAR") Scheme

The Company has implemented "Cipla Employee Stock Appreciation Rights Scheme 2021 ('ESAR 2021/the Scheme')" as approved by the shareholders by postal ballot on 25th March, 2021. The Scheme covers the employees who are in permanent employment, including director(s) other than independent directors of the Company and its subsidiaries [collectively "eligible employees"]. The nomination and remuneration committee of the Board of Cipla Limited will administer this scheme and grant ESARs to the eligible employees. Further, the maximum number of Employee Stock Appreciation Rights (ESARs) that may be granted under the Scheme shall not exceed 1,75,00,000 and the maximum number of equity shares that may be issued towards appreciation of the ESARs to be granted under the Scheme shall not exceed 33,00,000 shares of ₹ 2 each, i.e. face value. As per the terms of the ESAR Scheme, each ESAR will be settled by the issue of shares and hence been accounted as equity settled.

Details of the ESAR granted during the years ended 31st March, 2025 and 31st March, 2024 under the Scheme are given below:

Scheme details	Grant date	No. of options granted	Exercise price (₹) per option	Vesting period	Fair value at grant date	Exercise period
ESAR 2021	12th May, 2023	3,87,836	2.00	3 Years graded vesting	330.42	5 Years from vesting date
ESAR 2021	12th May, 2023	76,821	2.00	1 Year	292.89	5 Years from vesting date
ESAR 2021	10th May, 2024	2,93,393	2.00	3 Years graded vesting	435.45	5 Years from vesting date
ESAR 2021	10th May, 2024	63,746	2.00	1 Year	352.97	5 Years from vesting date
ESAR 2021	10th May, 2024	50,659	2.00	1 Year, 11 months	444.15	5 Years from vesting date

Weighted average share price for ESAR exercised during the year 31st March, 2025:

Particulars	ESAR - 2021
Weighted average share price (₹)	1,496.51

Notes to the Consolidated Financial Statements

Note 47: Share based payments (Contd..)

Weighted average share price for ESAR exercised during the year 31st March, 2024:

Particulars	ESAR - 2021
Weighted average share price (₹)	1,221.95

Stock option activity under the scheme(s) for the year ended 31st March, 2025 is set out below:

ESAR 2021

Particulars	No. of options	Weighted average exercise price (base price) (₹) per option	Range of exercise price (base price) (₹) per option	Weighted average remaining contractual life (years)
Outstanding at the beginning of the year	**7,49,785**	**941.11**	**913.38-1,139.34**	**5.58**
Granted during the year	4,07,798	1,390.90	1,390.90	-
Forfeited/cancelled during the year	(60,595)	1,058.73	913.38 - 1,390.90	-
Lapsed during the year	-	-	-	-
Exercised during the year*	(2,60,402)	932.87	913.38 - 984.67	-
Outstanding at the end of the year	**8,36,586**	**1,154.41**	**913.38-1,390.90**	**5.32**
Exercisable at the end of the year	1,90,074	959.82	913.38-1,139.34	3.83

*Number of shares are issued against option exercised based formula as defined in ESAR scheme 2021

Stock option activity under the scheme(s) for the year ended 31st March, 2024 is set out below:

ESAR 2021

Particulars	No. of options	Weighted average exercise price (base price) (₹) per option	Range of exercise price (base price) (₹) per option	Weighted average remaining contractual life (years)
Outstanding at the beginning of the year	**7,00,755**	**956.17**	**913.38 - 1,139.34**	**5.38**
Granted during the year	4,64,657	918.77	918.77	-
Forfeited/cancelled during the year	(50,285)	937.64	913.38 - 984.67	-
Lapsed during the year	-	-	-	-
Exercised during the year*	(3,65,342)	942.06	913.38 - 984.67	-
Outstanding at the end of the year	**7,49,785**	**941.11**	**913.38 - 1,139.34**	**5.58**
Exercisable at the end of the year	80,824	957.00	913.38-1,139.34	3.91

* Number of shares are issued against options exercised based on formula as defined in ESAR scheme 2021.

The Black Scholes valuation model has been used for computing weighted average fair value considering the following inputs:

Particulars	31st March, 2025	31st March, 2024
Expected dividend yield (%)	0.63%	0.53%
Expected volatility	25.98%	27.74%
Risk-free interest rate	7.02%	6.85%
Weighted average share price (₹)	1,358.80	943.60
Exercise price (₹)	1,390.90	918.77
Expected life of options granted in years	4.33	4.34
Weighted average fair value of options (₹)	423.64	324.21

Notes to the Consolidated Financial Statements

Note 47: Share based payments (Contd..)

2. Subsidiary Company

Cipla Health Limited

The expense recognised for employee services received during the year is shown in the following table:

₹ in Crores

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Expense arising from equity settled share based payment transactions (ESAR)	19.91	21.07

Employee Stock Appreciation Rights ('ESAR') Scheme

The Subsidiary Company has implemented "Cipla Employee Stock Appreciation Rights Scheme 2021 ('ESAR Scheme 2021/the Scheme')" as approved by the shareholders on 1st September, 2021. The Scheme covers all the employees who are in permanent employment, including director(s) other than independent directors of the Company and employee who is a Promoter or a person who belongs to the Promoter Group [collectively "eligible employees"]. The Nomination and Remuneration Committee of the Board ('NRC') administers this scheme and grants ESARs to the eligible employees. Further, the maximum number of Employee Stock Appreciation Rights ('ESARs') that may be granted under the Scheme shall not exceed 1,02,800 and the maximum number of equity shares that may be issued towards appreciation of the ESARs to be granted under the Scheme shall not exceed 60,700 of ₹ 10 each, i.e. face value. As per the terms of the ESAR Scheme, each ESAR can be settled by the issue of shares or through cash. Based on management estimate these have been accounted as equity settled. NRC is entitled to determine the vesting schedule for ESAR as the NRC deems fit. ESARs that are not exercised within the applicable exercise period will automatically lapse.

On the recommendation of the NRC dated 3rd June, 2024, the Board of Directors of Subsidiary company has approved to extend exercise period of the ESARs granted under the scheme by one year i.e. till 31st March, 2026 and the Scheme Benefit can be settled by the issue of shares or through cash as per the fair market value based on the financial statements of financial year 2025-2026 considering other terms as mentioned in amended scheme. The impact of such a change in the incremental fair valuation of the ESARs option amounting to ₹ 0.63 Crores (31st March, 2024, : Nil) have been accounted as ESAR expense in the current year.

During the year ended 31st March, 2025 and 31st March , 2024 no ESARs' were granted by the Subsidiary Company.

Particulars	As at 31st March, 2025			
	No. of options	Weighted average exercise price (base price) (₹) per option	Range of exercise price (base price) (₹) per option	Weighted average remaining contractual life (years)
Outstanding at the beginning of the year	**71,047**	**20,192.48**	**20,192.48**	**1.79**
Granted during the year	-	-	-	-
Forfeited/Cancelled during the year	-	-	-	-
Exercised during the year (settled in cash)	-	-	-	-
Outstanding at the end of the year	**71,047**	**20,192.48**	**20,192.48**	**0.91**
Exercisable at the end of the year	24,139	20,192.48	20,192.48	-

Particulars	As at 31st March, 2024			
	No. of options	Weighted average exercise price (base price) (₹) per option	Range of exercise price (base price) (₹) per option	Weighted average remaining contractual life (years)
Outstanding at the beginning of the year	**73,875**	**20,044.09**	**20,044.09**	**2.50**
Granted during the year	-	-	-	-
Forfeited/Cancelled during the year	(1,464)	16,316.00	16,316.00	-
Exercised during the year (settled in cash)	(1,364)	16,316.00	16,316.00	-
Outstanding at the end of the year	**71,047**	**20,192.48**	**20,192.48**	**1.79**
Exercisable at the end of the year	18,025	16,465.56	16,465.56	-

Notes to the Consolidated Financial Statements

Note 47: Share based payments (Contd..)

The following table lists the inputs to the models used for the years in which the ESARs was granted:

Particulars	As at 31st March, 2025	As at 31st March, 2024
Expected dividend yield (%)	0%	0%
Expected volatility (%)	24.30% - 25.34%	24.20% - 23.69%
Risk free investment rate (%)	6.87%	6.84%
Exercise price at date of grant	₹ 16,316 to ₹ 22,101	₹ 16,316 to ₹ 22,101
Share price at date of grant	₹ 16,316 to ₹ 22,101	₹ 16,316 to ₹ 22,101
Vesting period	1 -4 years	1 -4 years
Exercise period	At the time of liquidity event	At the time of liquidity event
Model used	Black Scholes	Black Scholes

The effect of Share based payment transactions on the entity's profit for the period and earnings per share is presented below:

Particulars	31st March, 2025	31st March, 2024
Profit after tax as reported (₹ in Crores)	5,272.52	4,121.55
Share based payment expense (₹ in Crores)	47.34	46.16
Earnings per share adjusted		
Basic (₹)	65.88	51.63
Diluted (₹)	65.82	51.58

Note 48: Related party disclosures

Information on related party transactions as required by Ind AS 24 - Related Party Disclosures for the year ended 31st March, 2025

A. Associates

Stempeutics Research Private Limited

Brandmed (Pty) Limited

AMPSolar Power Systems Private Limited

GoApptiv Private Limited (Stake increased from 22.02% to 22.99% w.e.f. 31st January, 2024)

Iconphygital Private Limited (Wholly owned subsidiary of GoApptiv Private Limited)

Pactiv Healthcare Private Limited (Wholly owned subsidiary of GoApptiv Private Limited w.e.f. from 26th July, 2023)

Clean Max Auriga Power LLP

AMP Energy Green Eleven Private Limited

Achira Labs Private Limited

MKC Biotherapeutics Inc. (Incorporated w.e.f. 27th February, 2024)

Note 48: Related party disclosures (Contd..)

B. Key Management Personnel (KMP)

Samina Hamied - Executive Vice-Chairperson (Resigned w.e.f. close of business hours on 31st March, 2024)

Umang Vohra - Managing Director and Global Chief Executive Officer

Ashish Adukia - Global Chief Financial Officer

C. Non-executive Chairman and Non-executive Vice Chairman

Dr Y K Hamied, Chairman

M K Hamied, Vice Chairman (Resigned w.e.f. close of business hours of 29th October, 2024)

D. Non executive Directors

Kamil Hamied (w.e.f 1st November, 2024)

Ashok Sinha (Retired w.e.f. 3rd September, 2024)

Adil Zainulbhai

Punita Lal (Retired w.e.f. 13th November, 2024)

Dr Peter Mugyenyi (Resigned w.e.f. 13th May, 2023)

S Radhakrishnan (Retired w.e.f. conclusion of AGM held on 20th August, 2024)

Robert Stewart

P R Ramesh

Dr Mandar Vaidya

Samina Hamied (w.e.f. 1st April, 2024 till close of business hours of 29th October, 2024)

Dr Balram Bhargava (w.e.f. 1st April, 2024)

Maya Hari (w.e.f 1st November, 2024)

Sharmila Paranjpe (w.e.f 1st September, 2024)

Abhijit Joshi (w.e.f 3rd September, 2024)

E. Entities over which the Company is able to exercise significant influence/control

Cipla Employees Stock Option Trust (De-registered)

Cipla Health Employees Stock Option Trust

The Cipla Empowerment Trust

The Cipla Foundation (SA)

F. Entities over which the KMP or their relatives is able to exercise significant influence/control

Chest Research Foundation (formerly known as Hamied Foundation)

Cipla Foundation

Cipla Cancer & AIDS Foundation

Postcard media (Upto 20th August, 2024)

Notes to the Consolidated Financial Statements

Note 48: Related party disclosures (Contd..)

G. Post-employment benefit trusts

Cipla Limited Employees Provident Fund

Cipla Limited Employees Gratuity Fund

Cipla Pharma and Life Sciences Limited Employees Gratuity Fund

Goldencross Pharma Private Limited Employees Group Gratuity Fund

Meditab Specialities Limited Employees Comprehensive Gratuity Scheme

Medispray Laboratories Private Limited Employees Comprehensive Gratuity Scheme

Sitec Labs Private Limited Employees Group Gratuity Scheme

Cipla Health Limited Employees Gratuity Scheme

Jay Precision Pharmaceuticals Employees Group Gratuity Trust

Disclosure in respect of related parties

During the year, the following transactions were carried out with the related parties in the ordinary course of business:

₹ in Crores

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
A. Investment in equity shares of Associates		
GoApptiv Private Limited (refer note 6)	-	7.00
Stempeutics Research Private Limited (refer note 6)	10.31	-
MKC Biotherapeutics Inc. (refer note 6)	14.32	-
	24.63	**7.00**
B. Investment in Compulsory Convertible Preference Share of Associates		
GoApptiv Private Limited (refer note 6)	-	35.00
	-	**35.00**
C. Investment in Optionally Convertible (Redeemable) Preference Shares of Associates		
Achira Labs Private Limited (refer note 6)	6.00	-
	6.00	**-**
D. Remuneration to Key Management Personnel and Directors#		
Short-term employee benefits**	41.84	44.92
Post-employment benefits*	0.64	2.72
Other long-term benefits	-	-
Employee share based payments	7.53	6.50
	50.01	**54.14**

**Includes remuneration (sitting fee, commission etc) to Non-executive directors amounting to ₹ 19.04 Crores (31st March, 2024: ₹ 15.72 Crores)

*Expenses towards gratuity, compensated absences and premium paid for Group health insurance has not been considered in above information as a separate actuarial valuation/premium paid are not available.

#Remuneration reported pertains to the amount paid during the period including variable pay of previous year, ESOP/ESAR exercised during the year ended 31st March, 2025 but does not include provisions towards variable pay, share based payment expenses as per Ind AS 102, etc.

Note 48: Related party disclosures (Contd..)

₹ in Crores

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
E. Contribution to provident fund and other fund		
Cipla Health Limited Employees Gratuity Scheme	3.00	2.00
Cipla Limited Employees Gratuity Fund	129.00	32.00
Cipla Limited Employees Provident Fund (To the extent of employer contribution)	55.83	49.37
Sitec Labs Private Limited Employees Group Gratuity Scheme	(0.59)	(0.10)
Cipla Pharma and Life Sciences Limited Employees Gratuity Fund	(0.11)	0.04
Goldencross Pharma Ltd Employees Group Gratuity Fund	(0.35)	(0.41)
Jay Precision Pharmaceuticals Group Gratuity Fund	0.24	0.77
Medispray Laboratories Private Limited Employees Comprehensive Gratuity Scheme	(0.50)	(0.47)
Meditab Specialities Limited Employees Comprehensive Gratuity Scheme	(0.02)	(0.16)
	186.50	**83.04**
F. Service Charges and reimbursement paid		
GoApptiv Private Limited	33.22	30.49
Stempeutics Research Private Limited	0.65	2.55
	33.87	**33.04**
G. Donations given		
Cipla Foundation	72.08	61.19
The Cipla Foundation (SA)	7.11	10.54
	79.19	**71.73**
H. Rent Received		
Dr Y K Hamied (₹ 20,040/- in both the years)	0.00	0.00
	0.00	**0.00**
I. Interest Income		
GoApptiv Private Limited	-	0.01
Brandmed (Pty) Limited	1.84	1.38
	1.84	**1.39**
J. Electricity charges paid		
AMP Solar Power Systems Private Limited	16.12	17.88
AMP Energy Green Eleven Private Limited	8.28	9.62
Clean Max Auriga Power LLP	8.12	8.83
	32.52	**36.33**
K. Payable to Key Management Personnel and Directors (Performance Bonus and Commission)	**17.36**	**12.73**
L. Dividend Paid to Key Management Personnel and Directors	**244.13**	**167.27**
M. Contribution payable to provident/ gratuity fund		
Cipla Limited Employees Provident fund	15.64	13.85
Cipla Health Limited Employees Gratuity Scheme	(0.08)	1.63

Notes to the Consolidated Financial Statements

Note 48: Related party disclosures (Contd..)

₹ in Crores

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Cipla Pharma and Life Sciences Limited Employees Gratuity Fund	1.72	0.06
Jay Precision Pharmaceuticals Group Gratuity Fund	0.08	0.02
Meditab Specialities Limited Employees Comprehensive Gratuity Scheme	2.07	0.85
Cipla Limited Employees Gratuity fund	9.82	86.34
Sitec Labs Private Limited Employees Group Gratuity Scheme	5.79	4.27
Goldencross Pharma Private Limited Employees Group Gratuity Fund	2.99	2.11
Medispray Laboratories Private Limited Employees Comprehensive Gratuity Scheme	9.39	6.90
	47.42	**116.03**
N. Payable to associates and others		
GoApptiv Private Limited	7.89	1.20
Stempeutics Research Private Limited	1.15	2.64
Clean Max Auriga Power LLP	0.11	-
AMP Solar Power Systems Private Limited	0.17	0.63
AMP Energy Green Eleven Private Limited	1.72	0.60
Postcard media	-	0.02
	11.04	**5.09**
O. Purchase of goods		
Postcard media	0.04	0.04
Stempeutics Research Private Limited	5.61	2.95
	5.65	**2.99**
P. Loan given		
Brandmed (Pty) Limited	-	8.84
	-	**8.84**
Q. Outstanding receivables		
Cipla Foundation	0.33	0.15
The Cipla Foundation (SA)	0.64	0.19
Clean Max Auriga Power LLP	-	0.01
Achira Labs Private Limited	0.03	-
GoApptiv Private Limited	0.12	-
	1.12	**0.35**
R. Purchase of Fixed Assets		
Stempeutics Research Private Limited	6.00	-
	6.00	**-**
S. Reimbursement charges received		
The Cipla Foundation (SA)	0.44	0.13
	0.44	**0.13**
T. Sale of goods or services		
GoApptiv Private Limited	0.11	0.67
	0.11	**0.67**
U. Distribution		
The Cipla Foundation (SA)	0.23	0.22
	0.23	**0.22**
V. Loan Receivable from Associate		
Brandmed (Pty) Limited	20.16	16.98
	20.16	**16.98**

Note:

1. Amount mentioned as "0.00" denotes value less than ₹ 1 lakh.

Note 48: Related party disclosures (Contd..)

2. All related party transactions entered during the year were in ordinary course of the business and on arms length basis. Outstanding balances at the year end are unsecured and settlement occurs in cash.

3. Equity (or equity like) investments by the Group are not considered for related party disclosure under balances as these are not considered "outstanding" exposures. Refer note 6 and 7 for the same.

4. Names of related party and related party relationships, are disclosed where transactions have taken place during the reporting period / balances are outstanding as at such date, and for all parties in the case of relationship of control and significant influence.

Note 49: Corporate social responsibility (CSR) expenditure

The Holding Company meets the criteria specified under Section 135 of the Companies Act, 2013 and has formed a Corporate Social Responsibility (CSR) Committee to monitor the CSR activities implemented as per the CSR Policy of the Holding Company. The Holding Company and some of its Indian Subsidiaries spends in each financial year at least 2% of its average net profit for the immediately preceding three financial years as per provisions of Section 135 of the Act and in compliance of its CSR policy. The funds allocated are utilized through the year on the activities which are specified in Schedule VII of the Act. Key focus areas for CSR activities include Health, Education, Skilling, Environmental Sustainability, Disaster Response, Rural development projects, Research and Development and any other activity permissible under Schedule VII of the Act.

₹ in Crores

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
A) Amount required to be spent by the Group during the year#	84.65	72.58
B) Amount of expenditure incurred on construction/acquisition of assets	5.53	8.66
C) Amount of expenditure incurred on purposes other than (B) above#&**	79.14	63.83
D) Shortfall at the end of the year	-	-
E) Details of related party transactions*	72.08	61.19
F) Balance carry forward:		
Opening balance	0.69	0.78
Addition during the year	84.67	72.49
Utilised during the year (including excess spend of previous year)	(84.65)	(72.58)
Closing balance	**0.71**	**0.69**

*This includes contribution to Cipla Foundation, which is a trust, with focus on Health, Education, Skilling, Environmental Sustainability etc.

#Includes interest of ₹ 0.49 crores (31st March, 2024: ₹ 0.27 crores) arising out of the CSR projects.

Notes to the Consolidated Financial Statements

Note 49: Corporate social responsibility (CSR) expenditure (Contd..)

The Group will be setting off the excess spend of ₹ 0.71 crores (31st March, 2024 ₹ 0.69 crores) during the year 2024-25 against the next year's CSR obligation.

**Addition during the year includes CSR amount of ₹ 4.75 Crores towards an ongoing project which has been deposited in a special account designated as "Unspent Corporate Social Responsibility" Account. There is an ongoing project as at 31st March, 2025 while there were no ongoing project as at 31st March, 2024.

Note 50: Reclassification note

The figures for the corresponding previous year have been regrouped/reclassified wherever necessary, to make them comparable. The impact of such reclassifications/regroupings is not material to the consolidated financial statements.

Note 51: Subsequent events

There are no other material subsequent events that occurred after the reporting date.

Note 52: Impact of Code on Social Security, 2020

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

Note 53: Restructuring operations

a) The Board in its meeting held on 6th November, 2023 had approved the transfer of Generics Business Undertaking as a going concern on a slump sale basis to Cipla Pharma and Life Sciences Limited (CPLS), a wholly owned subsidiary of the Holding Company. The Holding Company and CPLS have successfully completed business transfer as agreed under Business Transfer Agreement with closing date of 29th February, 2024.

b) Pursuant to board resolution passed on 22nd March, 2024, Cipla Technologies LLC a wholly owned step down subsidiary got merged with Cipla USA Inc, another wholly owned step down subsidiary w.e.f. closing date of 31st March, 2024.

Note 54: Unforeseeable losses

The Group has a process whereby periodically all long-term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Group did not have any long-term contracts (including derivative contracts) for which there were any material foreseeable losses.

Note 55: Additional disclosure with respect to amendment to Schedule III

a. The entities included in group, covered under the Act, do not have any Benami property, where any proceeding has been initiated or pending against them for holding any Benami property.

Note 55: Additional disclosure with respect to amendment to Schedule III (Contd..)

b. The entities included in group, covered under the Act, do not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

c. The entities included in group, covered under the Act, has not been declared a wilful defaulter by any bank or financial institution or other lender (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

d. The entities included in group, covered under the Act, do not have any charges or satisfaction which is yet to be registered with Registrar of Companies (ROC) beyond the statutory period.

e. The entities included in group, covered under the Act, have not traded or invested in crypto currency or virtual currency during the financial year.

f. The entities included in group, covered under the Act, has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall :

   (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries); or

   (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

g. The entities included in group, covered under the Act, have not entered into any scheme of arrangement which has an accounting impact on the current or previous financial year.

h. The entities included in group, covered under the Act, have complied with the number of layers prescribed under the Companies Act, 2013.

i. The Group does not have any transaction with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956 as of and for the year ended 31st March, 2025 and 31st March 2024.

j. The entities included in group, covered under the Act, has not invested or advanced or loaned funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

   (a) directly or indirectly lend in other persons or entities identified in any manner whatsoever by or on behalf of the group (Ultimate Beneficiaries) or

   (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

Notes to the Consolidated Financial Statements

Note 56: Segment Information

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM"). The CODM is the Chief Executive Officer of the Group, who assesses the financial performance and position of the Group and makes strategic decisions. The Group's reportable segments are as follows:

1 Pharmaceuticals - This segment develops, manufactures, sells and distributes generic or branded generic medicines as well as Active Pharmaceutical Ingredients ("API").

2 New ventures - This includes the operations of the Company, a consumer healthcare, Biosimilars and speciality business.

The CODM reviews revenue and gross profit as the performance indicator, and does not review the total assets and liabilities for each reportable segment.

The measurement of each segment's revenues, expenses and assets is consistent with the accounting policies that are used in preparation of the Group's consolidated financial statements.

₹ in Crores

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Segment wise revenue and results		
Segment revenues:		
a) Pharmaceuticals	26,446.33	24,842.46
b) New ventures	1,303.36	1,111.72
Total	**27,749.69**	**25,954.18**
Less: Inter segment revenue	202.07	180.09
Total Income from Operations	**27,547.62**	**25,774.09**
Segment results:		
Profit/(loss) before tax and interest from each segment		

Note 56: Segment Information (Contd..)

₹ in Crores

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
a) Pharmaceuticals	6,872.29	6,055.74
b) New ventures	10.53	(69.14)
Total	**6,882.82**	**5,986.60**
Less: Finance cost	62.01	89.88
Profit (+)/loss (-) before exceptional items and tax	**6,820.81**	**5,896.72**
Less: Exceptional items - New ventures (refer note 39(b))	-	194.82
Total profit/(loss) before tax	**6,820.81**	**5,701.90**

Segment assets and liabilities

As certain assets and liabilities are deployed interchangeably across segments, it is not practically possible to allocate those assets and liabilities to each segment. Hence, the details of assets and liabilities have not been disclosed in the above table.

The Management also evaluates the Group's revenue performance based on geographical segments. The Group's geographical segments are as follows:

1 India

2 United States of America

3 One Africa

4 Rest of the world

The geographical segments derives their revenues from the sale of pharmaceuticals products (generics, speciality) and milestone payments. The Management reviews revenue as the performance indicator, and does not review the total assets and liabilities for each reportable segment.

Note 56: Segment Information (Contd..)

Analysis of Revenue from operations (including other operating revenue) (by customer's location)

₹ in Crores

Year	India	United States of America	One Africa	Rest of the World	Total
2025	11,614.67	7,899.01	3,826.48	4,207.46	27,547.62
2024	10,873.21	7,501.55	3,666.07	3,733.26	25,774.09

Analysis of non-current assets (excluding investment in associates, income tax and deferred tax assets, loans and financial assets) (by assets location)

₹ in Crores

Year	India	United States of America	One Africa	Rest of the World	Total
2025	5,969.27	3,481.89	2,164.87	394.22	12,010.25
2024	5,196.32	3,320.16	2,092.21	448.50	11,057.19

Information about major customer

No single external customer represents 10% or more of the Group's total revenue for the years ended 31st March, 2025 and 31st March, 2024, respectively.

Notes to the Consolidated Financial Statements

Note 57: Acquisition of subsidiary/business undertaking

(i) Acquisition of Business undertaking ("Astaberry")

On 15th April, 2024, Cipla Health Limited, a wholly owned subsidiary of the Company has signed a business transfer agreement for purchase of the distribution and marketing business undertaking of cosmetics and personal care business from Ivia Beaute Private Limited, through a slump sale arrangement on a going concern basis for an upfront purchase consideration of ₹ 130 Crores and a deferred consideration upto a maximum of ₹ 110 Crores payable in next 3 years based on certain milestone achievement.

The primary reason for such an acquisition by the Company is to expand it's product portfolio and further strengthen it's position in the market.

A. Consideration transferred

The following table summaries the acquisition date fair value of consideration transferred:

Particulars	₹ in Crores
Amount settled in cash	130.00
Fair value of contingent consideration	0.93
Total purchase consideration	**130.93**

B. Recognised amounts of identifiable net assets

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition:

Particulars	₹ in Crores
Property Plant and Equipment	0.03
Astaberry Brand	74.50
Distribution Network	9.01
Technical know-how	9.70
Non-compete	9.19
Trade and other receivables (net)	3.56
Inventories	1.54
Total assets	**107.53**
Long Term Provisions	(0.13)
Other current liabilities	(0.09)
Total liabilities	**(0.22)**
Net identifiable assets acquired	**107.31**

C. Goodwill

Goodwill arising from the acquisition has been recognised as follows:

Particulars	₹ in Crores
Purchase consideration	130.93
Less: Net identifiable assets acquired	(107.31)
Goodwill	**23.62**

Note 57: Acquisition of subsidiary/business undertaking (Contd..)

D. Consideration transferred (net)

Particulars	₹ in Crores
Cash paid	130.00
Less: cash and cash equivalents balance acquired	0.00
Net cash outflow on acquisition	**130.00**

Impact of acquisition on the results of the Group:

From the date of acquisition, Astaberry has contributed ₹ 60.96 Crores to revenue from operations and a loss of ₹ (5.15) Crores to profit before tax.

Had the acquisition been effected at 1st April, 2024, the revenue of the Company would have been higher by ₹ 6.90 Crores and profit before tax would be higher by ₹ 0.60 Crores for the year ended 31st March 2025.

(ii) Acquisition of Actor Proprietary Limited

On 4th September, 2023, Cipla Medpro South Africa (Pty) Ltd., a wholly owned subsidiary of the Company, signed a binding term sheet with Actor Holdings (Pty) Ltd. for the acquisition of a 100% equity stake (1000 shares of ZAR 1 each) in Actor Pharma (Pty) Ltd. ("Actor Pharma"). The acquisition transaction had been completed, upon fulfilment of all closing conditions on 7th February, 2024. Actor Pharma is a privately owned pharmaceutical company specialising in consumer health and generic medicine. Actor specializes in OTC and generic medicine, where they have established strong consumer brands, and identified niche prescription markets in categories of women's health, nasal, cough cold and baby children. The primary reason for the acquisition was to grow product portfolio and strengthen market position in our both over the counter and prescriptions therapeutic area.

A. Consideration transferred

The following table summarises the acquisition date fair value of consideration transferred:

Particulars	₹ in Crores
Amount settled in cash	305.90
Deferred consideration (refer note below)	87.40
Fair value of consideration transferred	**393.30**

Deferred consideration on acquisition of Actor amounting to ₹ 87.40 Crores apportioned as follow:

- ₹ 66.23 Crores to be paid on achievement of milestones as defined in the agreement. These funds are invested in a restricted Escrow account and will be released upon conclusion of the events as set out in the Share Purchase Agreement, to the satisfaction of both parties.

Notes to the Consolidated Financial Statements

Note 57: Acquisition of subsidiary/business undertaking (Contd..)

- ₹ 21.17 Crores has been with held for any working capital adjustments which need to be calculated and agreed within 3 months from Closing Date. The Group management expects that these amount will be settled within a year.

B. Recognised amounts of identifiable net assets

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition:

Particulars	₹ in Crores
Property, plant and equipment	0.08
Other Intangible assets	282.46
Other financial assets	4.51
Inventories	22.72
Trade and other receivables	19.03
Cash and cash equivalents	5.01
Total assets	**333.81**
Deferred tax liability	(75.59)
Trade and other payables	(7.96)
Current tax payable	(4.33)
Total liabilities	**(87.88)**
Net identifiable assets acquired	**245.93**

C. Goodwill

Goodwill arising from the acquisition has been recognised as follows:

Particulars	₹ in Crores
Purchase consideration	393.30
Less: Net identifiable assets acquired	(245.93)
Goodwill	**147.37**

D. Consideration transferred (net)

Particulars	₹ in Crores
Cash paid	305.90
Less: cash and cash equivalents balance acquired	(5.01)
Net cash outflow on acquisition	**300.89**

Impact of acquisition on the results of the Group in the previous year :

From the date of acquisition, Actor Pharma has contributed ₹ 27.19 Crores to revenue from operations and a loss of ₹ (2.30) Crores to profit before tax.

Had the acquisition been effected at 1st April, 2023, the revenue of the Company would have been higher by ₹ 80.69 Crores and profit before tax would be higher by ₹ 17.25 Crores for the year ended 31st March, 2024.

Note 58: Disposal of subsidiaries

(i) Disposal of Cipla Quality Chemical Industries Limited (CQCIL), Uganda

Pursuant to the execution of the Share Purchase Agreement dated 13th March, 2023, between the Company and its wholly owned subsidiaries, Cipla (EU) Limited and Meditab Holdings Limited, the Company had divested its 51.18% stake held in Cipla Quality Chemical Industries Limited (CQCIL), Uganda for a consideration of ₹ 208.46 Crores (USD 25 million). Since CQCIL ceased to be a subsidiary company, the Group had derecognised all assets and liabilities and non-controlling interest as per Ind AS 110 "Consolidated Financial Statements".

A. Consideration

Particulars	₹ in Crores
Consideration received	208.46

B. Analysis of asset and liabilities over which control was lost

Particulars	₹ in Crores
Non-current assets (including Goodwill)	166.21
Current assets	250.21
Total Assets	**416.42**
Non-current liabilities	16.45
Current liabilities	127.05
Total liabilities	**143.50**
Net assets disposed off	**272.92**

C. Gain on disposal of a subsidiary

Particulars	₹ in Crores
Consideration	208.46
Net assets disposed off	(272.92)
Non-Controlling Interest	189.99
Gain on sale before reclassification of foreign currency translation reserve	**125.53**
Reclassification of foreign currency translation reserve	(143.81)
Loss on sale	**(18.28)**

D. Net cash inflow on disposal of a subsidiary

Particulars	₹ in Crores
Consideration received in cash and cash equivalents	208.46
Less: cash and cash equivalent balances disposed of	(135.67)
Net cash inflow on disposal of a subsidiary	**72.79**

Notes to the Consolidated Financial Statements

Note 58: Disposal of subsidiaries (Contd..)

(ii) Disposal of Saba Investment Limited, UAE ("Saba")

Pursuant to the execution of the Share Purchase Agreement dated 28th September, 2023 between the Company, Saba Investment Limited, UAE ("Saba") and Shibham Group Holding Limited, UAE, the Company had divested its 51% stake held in Saba for a consideration of ₹ 49.82 Crores (USD 6 million). Since, Saba and its subsidiaries ceased to be subsidiary companies with effect from 29th September, 2023, the Group had de-recognised all assets and liabilities and non-controlling interest as per Ind AS 110 "Consolidated Financial Statements".

A. Consideration

Particulars	₹ in Crores
Consideration received	49.82

B. Analysis of asset and liabilities over which control was lost

Particulars	₹ in Crores
Non-current assets	56.85
Current assets	32.34
Total assets	**89.19**
Non-current liabilities	-
Current liabilities	35.10
Total liabilities	**35.10**
Net assets disposed off	**54.09**

Note 58: Disposal of subsidiaries (Contd..)

C. Gain on disposal of a subsidiary

Particulars	₹ in Crores
Consideration	49.82
Net assets disposed off	(54.09)
Non-controlling Interest	44.29
Gain on sale before reclassification of foreign currency translation reserve	**40.02**
Reclassification of foreign currency translation reserve	(20.80)
Profit on sale	**19.22**

D. Net cash inflow on disposal of a subsidiary

Particulars	₹ in Crores
Consideration received in cash and cash equivalents	49.82
Less: cash and cash equivalent balances disposed of	(2.21)
Net cash inflow on disposal of a subsidiary	**47.61**

Note 59: Additional information as required, pursuant to Para 2 under Schedule III of the Companies Act, 2013 of the enterprises consolidated as Subsidiaries/Associates

For the year ended 31st March, 2025

₹ in Crores

Name of the entity	Net Assets (Total Assets less Total Liabilities)		Owners' share in profit or loss		Owners' share in other comprehensive income		Owners' share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent Company								
Cipla Limited	102.90%	32,099.24	97.82%	5,157.65	(4.60%)	(9.98)	93.77%	5,147.67
Subsidiaries								
Indian								
Goldencross Pharma Limited	0.53%	164.72	0.36%	18.74	(0.08%)	(0.17)	0.34%	18.57
Meditab Specialities Limited	1.23%	383.68	0.17%	8.94	(0.35%)	(0.76)	0.15%	8.18
Jay Precision Pharmaceuticals Private Limited	0.58%	181.84	0.72%	38.17	(0.53%)	(1.14)	0.67%	37.03
Medispray Laboratories Private Limited	0.63%	195.73	1.02%	53.53	(0.26%)	(0.57)	0.96%	52.96
Sitec Labs Limited	0.48%	150.93	0.29%	15.26	(0.06%)	(0.13)	0.28%	15.13
Cipla Pharma and Life Sciences Limited	1.50%	467.39	6.30%	332.32	(0.48%)	(1.04)	6.03%	331.28
Cipla Health Limited	1.32%	410.90	2.25%	118.56	0.04%	0.09	2.16%	118.65
Cipla Digital Health Limited	0.04%	11.67	(0.04%)	(2.13)	(0.01%)	(0.03)	(0.04%)	(2.16)
Cipla Pharmaceuticals Limited	1.19%	370.72	(0.04%)	(1.93)	(0.43%)	(0.93)	(0.05%)	(2.86)
Foreign								
Cipla Medpro South Africa (Pty) Limited	2.90%	903.11	(1.04%)	(54.78)	0.57%	1.23	(0.98%)	(53.55)
Cipla Kenya Limited	0.01%	1.82	(0.01%)	(0.76)	0.00%	-	(0.01%)	(0.76)

Notes to the Consolidated Financial Statements

Note 59: Additional information as required, pursuant to Para 2 under Schedule III of the Companies Act, 2013 of the enterprises consolidated as Subsidiaries/Associates (Contd..)

₹ in Crores

Name of the entity	Net Assets (Total Assets less Total Liabilities)		Owners' share in profit or loss		Owners' share in other comprehensive income		Owners' share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Cipla-Medpro (Pty) Limited	0.23%	71.84	0.07%	3.89	0.00%	-	0.07%	3.89
Cipla-Medpro Distribution Centre (Pty) Limited	(0.01%)	(3.47)	(0.01%)	(0.47)	0.00%	-	(0.01%)	(0.47)
Cipla Medpro Botswana (Pty) Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Cipla Select (Pty) Limited	0.07%	22.58	0.46%	24.22	0.00%	-	0.44%	24.22
Medpro Pharmaceutica (Pty) Limited	2.42%	756.37	0.59%	30.91	0.00%	-	0.56%	30.91
Mirren (Pty) Limited	0.09%	27.17	0.03%	1.48	0.00%	-	0.03%	1.48
Cipla Medpro Manufacturing (Pty) Limited	0.72%	225.36	0.46%	24.20	0.00%	-	0.44%	24.20
Actor Pharma (Pty) Ltd	0.13%	41.07	(0.03%)	(1.78)	0.00%	-	(0.03%)	(1.78)
Cipla Holding BV	0.33%	101.61	0.03%	1.79	0.00%	-	0.03%	1.79
Cipla (EU) Limited	21.58%	6,730.80	0.97%	51.19	0.00%	-	0.93%	51.19
Cipla Australia Pty Ltd	0.21%	65.34	0.07%	3.73	0.00%	-	0.07%	3.73
Meditab Holdings Limited	1.06%	331.58	0.02%	0.95	(17.94%)	(38.91)	(0.69%)	(37.96)
Cipla USA Inc.	2.73%	850.94	8.88%	468.45	0.00%	-	8.53%	468.45
Aspergen Inc	0.08%	25.84	(1.35%)	(71.06)	0.00%	-	(1.29%)	(71.06)
Cipla Malaysia Sdn. Bhd.	0.02%	5.21	0.00%	0.26	0.00%	-	0.00%	0.26
Cipla Europe NV	0.10%	32.19	(0.22%)	(11.69)	0.00%	-	(0.21%)	(11.69)
Breathe Free Lanka (Private) Limited	0.07%	21.75	0.01%	0.71	0.00%	-	0.01%	0.71
Cipla Gulf FZ-LLC	0.12%	37.45	0.04%	2.21	0.00%	-	0.04%	2.21
Cipla Brasil Importadora e Distribuidora de Medicamentos Ltda.	0.05%	16.00	(0.00%)	(0.13)	0.00%	-	(0.00%)	(0.13)
Cipla Maroc SA	0.23%	72.84	0.76%	39.92	0.00%	-	0.73%	39.92
InvaGen Pharmaceuticals Inc.	9.99%	3,115.97	0.89%	46.80	0.00%	-	0.85%	46.80
Cipla Algérie	(0.00%)	(0.01)	0.00%	-	0.00%	-	0.00%	-
Cipla Colombia SAS	0.03%	8.42	0.05%	2.48	0.00%	-	0.05%	2.48
Cipla (Jiangsu) Pharmaceutical Co., Ltd	0.75%	233.23	0.17%	8.96	0.00%	-	0.16%	8.96
Cipla (China) Pharmaceutical Co., Ltd	0.04%	11.61	(0.05%)	(2.53)	0.00%	-	(0.05%)	(2.53)
Exelan Pharmaceuticals Inc.	1.37%	426.52	0.83%	43.55	0.00%	-	0.79%	43.55
Cipla Therapeutics Inc.	0.04%	11.04	(0.99%)	(52.42)	0.00%	-	(0.95%)	(52.42)
Mexicip S.A. de C.V	0.01%	3.59	0.00%	0.11	0.00%	-	0.00%	0.11
Cipla Health Employees Stock Option Trust	0.00%	-	0.00%	-	0.00%	-	0.00%	-
The Cipla Empowerment Trust	(0.02%)	(5.24)	(0.04%)	(2.14)	0.00%	-	(0.04%)	(2.14)
Subtotal		**48,579.35**		**6,297.16**		**(52.34)**		**6,244.82**
Inter-company Elimination and Consolidation Adjustments	(55.88%)	(17,430.57)	(19.08%)	(1,006.11)	124.92%	271.00	(13.39%)	(735.11)
Non-controlling Interest in Subsidiaries	(0.31%)	(95.80)	0.06%	3.32	(0.79%)	(1.72)	0.03%	1.60
Associates								
AMPSolar Power Systems Private Limited	0.00%	1.12	0.00%	-	0.00%	-	0.00%	-
Brandmed (Pty) Limited	0.06%	20.20	(0.02%)	(1.15)	0.00%	-	(0.02%)	(1.15)
GoApptiv Private Limited	0.25%	79.12	(0.02%)	(0.83)	0.00%	-	(0.02%)	(0.83)
AMP Energy Green Eleven Private Limited	0.00%	0.84	0.00%	-	0.00%	-	0.00%	-
Achira Labs Private Limited	0.09%	26.73	(0.03%)	(1.63)	0.00%	-	(0.03%)	(1.63)
Clean Max Auriga Power LLP	0.02%	5.86	0.00%	-	0.00%	-	0.00%	-
MKC Biotherapeutics Inc.	0.02%	6.60	(0.15%)	(7.93)	0.00%	-	(0.14%)	(7.93)
Stempeutics Research Private Limited	0.00%	-	(0.20%)	(10.31)	0.00%	-	(0.19%)	(10.31)
Grand Total		**31,193.45**		**5,272.52**		**216.94**		**5,489.46**

Notes to the Consolidated Financial Statements

Note 59: Additional information as required, pursuant to Para 2 under Schedule III of the Companies Act, 2013 of the enterprises consolidated as Subsidiaries/Associates (Contd..)

Note: Net assets and share in profit or loss for the parent company, subsidiaries, associates and other consolidating entities are as per the standalone financial statements of the respective entities.

For the year ended 31st March, 2024

₹ in Crores

Name of the entity	Net Assets (Total Assets less Total Liabilities)		Owners' share in profit or loss		Owners' share in other comprehensive income		Owners' share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent Company								
Cipla Limited	104.75%	27,973.92	98.93%	4,077.25	64.89%	(80.36)	99.98%	3,996.89
Subsidiaries								
Indian								
Goldencross Pharma Limited	0.55%	146.15	0.34%	14.17	12.58%	(15.58)	(0.04%)	(1.41)
Meditab Specialities Limited	1.70%	453.09	9.14%	376.70	0.08%	(0.10)	9.42%	376.60
Jay Precision Pharmaceuticals Private Limited	0.68%	180.90	1.10%	45.43	0.02%	(0.03)	1.14%	45.40
Medispray Laboratories Private Limited	0.53%	142.77	1.40%	57.79	3.42%	(4.24)	1.34%	53.55
Sitec Labs Limited	0.51%	135.80	0.36%	14.65	1.68%	(2.08)	0.31%	12.57
Cipla Pharma and Life Sciences Limited	0.51%	136.12	0.93%	38.53	0.06%	(0.08)	0.96%	38.45
Cipla Health Limited	1.02%	272.34	2.10%	86.36	0.90%	(1.11)	2.13%	85.25
Cipla Digital Health Limited	0.02%	5.84	(0.34%)	(14.11)	0.04%	(0.05)	(0.35%)	(14.16)
Cipla Pharmaceuticals Limited	0.30%	80.94	0.01%	0.30	0.03%	(0.04)	0.01%	0.26
Foreign								
Cipla Medpro South Africa (Pty) Limited	1.86%	496.67	10.67%	439.60	(0.31%)	0.39	11.01%	439.99
Cipla Kenya Limited	0.01%	2.49	(0.01%)	(0.26)	0.00%	-	(0.01%)	(0.26)
Cipla Dibcare (Pty) Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Cipla-Medpro (Pty) Limited	0.24%	63.02	0.07%	2.96	0.00%	-	0.07%	2.96
Cipla-Medpro Distribution Centre (Pty) Limited	(0.01%)	(2.79)	(0.01%)	(0.23)	0.00%	-	(0.01%)	(0.23)
Cipla Medpro Botswana (Pty) Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Cipla Select (Pty) Limited	(0.01%)	(1.86)	(0.03%)	(1.06)	0.00%	-	(0.03%)	(1.06)
Medpro Pharmaceutica (Pty) Limited	1.05%	279.72	0.01%	0.32	0.00%	-	0.01%	0.32
Mirren (Pty) Limited	0.09%	23.83	0.04%	1.47	0.00%	-	0.04%	1.47
Cipla Medpro Manufacturing (Pty) Limited (formerly known as Cipla Life Sciences (Pty) Limited)	0.70%	186.61	0.84%	34.54	0.00%	-	0.86%	34.54
Actor Pharma (Pty) Ltd	0.14%	37.46	(0.06%)	(2.30)	0.00%	-	(0.06%)	(2.30)
Cipla Holding BV	0.37%	97.52	0.04%	1.58	0.00%	-	0.04%	1.58
Cipla (EU) Limited	23.82%	6,362.79	0.34%	13.92	0.00%	-	0.35%	13.92
Saba Investment Limited	0.00%	-	0.65%	26.96	0.00%	-	0.67%	26.96
Cipla Australia Pty Ltd	0.16%	41.94	(0.02%)	(0.80)	0.00%	-	(0.02%)	(0.80)
Meditab Holdings Limited	1.37%	364.81	1.39%	57.27	(36.18%)	44.81	2.55%	102.08
Cipla USA Inc.	3.25%	867.61	7.88%	324.58	0.00%	-	8.12%	324.58
Aspergen Inc	0.07%	19.73	(1.71%)	(70.66)	0.00%	-	(1.77%)	(70.66)
Cipla Malaysia Sdn. Bhd.	0.02%	4.52	0.01%	0.29	0.00%	-	0.01%	0.29
Cipla Europe NV	0.16%	43.28	(0.52%)	(21.57)	0.00%	-	(0.54%)	(21.57)
Cipla Quality Chemical Industries Limited	0.00%	-	0.71%	29.20	0.00%	-	0.73%	29.20
Breathe Free Lanka (Private) Limited	0.08%	20.21	0.15%	6.31	0.00%	-	0.16%	6.31
Cipla Medica Pharmaceutical and Chemical Industries Limited	0.00%	-	(0.15%)	(6.18)	0.00%	-	(0.15%)	(6.18)
Cipla Gulf FZ-LLC	0.13%	34.54	(0.25%)	(10.33)	0.00%	-	(0.26%)	(10.33)
Cipla Brasil Importadora e Distribuidora de Medicamentos Ltda.	0.07%	17.69	(0.07%)	(2.95)	0.00%	-	(0.07%)	(2.95)
Cipla Maroc SA	0.30%	80.03	0.11%	4.73	0.00%	-	0.12%	4.73

Notes to the Consolidated Financial Statements

Note 59: Additional information as required, pursuant to Para 2 under Schedule III of the Companies Act, 2013 of the enterprises consolidated as Subsidiaries/Associates (Contd..)

₹ in Crores

Name of the entity	Net Assets (Total Assets less Total Liabilities)		Owners' share in profit or loss		Owners' share in other comprehensive income		Owners' share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
InvaGen Pharmaceuticals Inc.	11.19%	2,989.69	(10.08%)	(415.63)	0.00%	-	(10.40%)	(415.63)
Cipla Middle East Pharmaceuticals FZ-LLC	0.00%	-	0.58%	23.92	0.00%	-	0.60%	23.92
Cipla Philippines Inc.	0.00%	0.30	(0.00%)	(0.09)	0.00%	-	(0.00%)	(0.09)
Cipla Algérie	(0.00%)	(0.01)	0.00%	-	0.00%	-	0.00%	-
Cipla Colombia SAS	0.02%	6.02	0.01%	0.42	0.00%	-	0.01%	0.42
Cipla (Jiangsu) Pharmaceutical Co., Ltd	0.83%	221.15	(1.41%)	(57.96)	0.00%	-	(1.45%)	(57.96)
Cipla (China) Pharmaceutical Co., Ltd	0.05%	13.83	0.02%	0.64	0.00%	-	0.02%	0.64
Exelan Pharmaceuticals Inc.	1.40%	373.10	3.91%	161.01	0.00%	-	4.03%	161.01
Cipla Technologies LLC	0.00%	-	(4.32%)	(177.98)	0.00%	-	(4.45%)	(177.98)
Madison Pharmaceuticals Inc.	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Cipla Therapeutics Inc.	0.12%	32.72	(0.76%)	(31.35)	0.00%	-	(0.78%)	(31.35)
Mexicip S.A. de C.V	(0.00%)	(0.08)	(0.00%)	(0.08)	0.00%	-	(0.00%)	(0.08)
Cipla Health Employees Stock Option Trust	0.00%	-	0.00%	-	0.00%	-	0.00%	-
The Cipla Empowerment Trust	(0.01%)	(2.85)	(0.04%)	(1.85)	0.00%	-	(0.05%)	(1.85)
Subtotal		**42,201.56**		**5,025.51**		**(58.47)**		**4,967.04**
Inter-company Elimination and Consolidation Adjustments	(58.15%)	(15,529.28)	(21.11%)	(870.20)	50.15%	(62.11)	(23.32%)	(932.31)
Non-controlling Interest in Subsidiaries	(0.36%)	(95.90)	(0.78%)	(32.17)	2.63%	(3.26)	(0.89%)	(35.43)
Associates								
AMPSolar Power Systems Private Limited	0.00%	1.00	0.00%	-	0.00%	-	0.00%	-
Brandmed (Pty) Limited	0.07%	19.83	(0.03%)	(1.09)	0.00%	-	(0.03%)	(1.09)
GoApptiv Private Limited	0.30%	79.95	0.03%	1.16	0.00%	-	0.03%	1.16
AMP Energy Green Eleven Private Limited	0.00%	0.76	0.00%	-	0.00%	-	0.00%	-
Achira Labs Private Limited	0.08%	22.37	(0.04%)	(1.66)	0.00%	-	(0.04%)	(1.66)
Clean Max Auriga Power LLP	0.02%	6.14	0.00%	-	0.00%	-	0.00%	-
MKC Biotherapeutics Inc.	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Stempeutics Research Private Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Grand Total		**26,706.43**		**4,121.55**		**(123.84)**		**3,997.71**

Note: Net assets and share in profit or loss for the parent company, subsidiaries, associates and other consolidating entities are as per the standalone financial statements of the respective entities.

Note 60: Authorisation of financial statements

The Consolidated financial statements for the year ended 31st March, 2025 were approved by the Board of Directors on **13th May, 2025**.

As per our report of even date attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Reg. No. 001076N/N500013

Adi P. Sethna
Partner
Membership No.: 108840

Mumbai, 13th May, 2025

For and on behalf of the **Board of Directors**

Umang Vohra
Managing Director and
Global Chief Executive Officer
DIN: 02296740

Kamil Hamied
Non-Executive Director
DIN: 00024292

Ashish Adukia
Global Chief Financial Officer

Rajendra Chopra
Company Secretary

Mumbai, 13th May, 2025

Salient Features of Financial Statements of Subsidiaries and Associates

Statement pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of the Companies (Accounts) Rules, 2014 in form AOC-1 related to Subsidiaries and Associate Companies

Part (A) : Information on Subsidiaries

₹ in Crores

Sr. No.	Name of the subsidiary company	Date since when subsidiary was acquired	Reporting currency	Reporting period	Exchange rate as on 31st March 2025	Share Capital	Reserves and Surplus	Total Assets	Total Liabilities	Investment other than Investment in subsidiary	Turnover *	Profit before Taxation *	Provision for Taxation *	Profit after Taxation *	Proposed Dividend	% of Share Holding	Country of Incorporation
1	Jay Precision Pharmaceuticals Private Limited	26th February, 2015	INR	April - March	1.0000	4.01	177.83	203.66	21.81	14.82	150.25	51.17	13.00	38.17	-	60%	India
2	Meditab Specialities Limited	01st October, 2010	INR	April - March	1.0000	0.71	382.97	446.99	63.31	79.04	30.88	11.85	2.91	8.94	-	100%	India
3	Medispray Laboratories Private Limited	01st October, 2010	INR	April - March	1.0000	0.05	195.68	271.91	76.18	7.75	440.96	71.95	18.42	53.53	-	100%	India
4	Goldencross Pharma Limited	14th May, 2010	INR	April - March	1.0000	0.05	164.67	203.23	38.52	48.33	183.51	20.01	1.27	18.74	-	100%	India
5	Sitec Labs Limited	01st October, 2010	INR	April - March	1.0000	0.02	150.91	201.16	50.24	-	139.76	20.87	5.60	15.26	-	100%	India
6	Cipla Health Limited	27th August, 2015	INR	April - March	1.0000	2.33	408.58	691.58	280.67	103.29	1,221.85	158.76	40.20	118.56	-	100%	India
7	Cipla Pharma and Life Sciences Limited	24th July, 2014	INR	April - March	1.0000	258.71	208.69	850.13	382.74	99.00	1,590.19	444.07	111.76	332.32	-	100%	India
8	Cipla Pharmaceuticals Limited	19th November, 2019	INR	April - March	1.0000	130.00	240.72	409.79	39.07	89.61	0.03	(1.61)	0.32	(1.93)	-	100%	India
9	Cipla Digital Health Limited	25th February, 2022	INR	April - March	1.0000	38.00	(26.33)	22.34	10.67	2.08	14.45	(2.12)	0.01	(2.13)	-	100%	India
10	Cipla Medpro South Africa (Pty) Ltd	15th July, 2013	ZAR	April - March	4.7075	0.23	902.88	1,846.19	943.08	-	273.49	(54.92)	(0.14)	(54.78)	-	100%	South Africa
11	Meditab Holdings Limited	01st October, 2010	USD	April - March	85.4750	137.82	193.76	331.61	0.03	307.10	-	1.08	0.13	0.95	-	100%	Mauritius
12	Cipla Algérie	06th June, 2016	DZD	January - December	0.6375	0.06	(0.07)	0.07	0.08	-	-	-	-	-	-	40%	Algeria
13	Cipla Europe NV	30th September, 2013	EUR	April - March	92.0900	47.70	(15.51)	371.09	338.90	-	220.39	(11.17)	0.52	(11.69)	-	100%	Belgium
14	Cipla Holding BV	28th August, 2013	EUR	April - March	92.0900	49.52	52.09	106.55	4.94	-	23.41	2.21	0.41	1.79	-	100%	Netherlands
15	Cipla Gulf FZ-LLC	10th October, 2018	USD	April - March	85.4750	57.55	(20.10)	97.38	59.93	-	96.48	2.33	0.12	2.21	-	100%	UAE
16	Cipla Malaysia Sdn. Bhd.	20th March, 2013	MYR	April - March	19.2625	0.98	4.23	5.60	0.39	-	7.67	0.37	0.11	0.26	-	100%	Malaysia
17	Breathe Free Lanka (Pvt) Ltd	16th June, 2014	LKR	April - March	0.2884	6.07	15.67	114.14	92.39	-	211.20	5.59	4.88	0.71	-	100%	Sri Lanka
18	Cipla Maroc SA	08th May, 2015	MAD	April - March	8.8643	100.82	(27.98)	192.15	119.31	-	236.51	57.03	17.12	39.92	-	75.10%	Morocco
19	Cipla Australia Pty Ltd	04th March, 2011	AUD	April - March	53.8100	128.57	(63.23)	132.89	67.55	-	168.04	5.31	1.59	3.73	-	100%	Australia
20	Cipla Brasil Importadora e Distribuidora de Medicamentos Ltda.	11th May, 2015	BRL	January - December	14.9749	25.13	(9.13)	29.91	13.91	-	1.26	(0.13)	-	(0.13)	-	100%	Brazil
21	Cipla (EU) Limited	27th January, 2011	USD	April - March	85.4750	6,441.02	289.79	6,972.06	241.26	137.60	318.04	55.46	4.27	51.19	-	100%	United Kingdom
22	Cipla Colombia SAS	25th April, 2019	COP	January - December	0.0205	13.56	(5.14)	42.70	34.28	-	58.71	1.46	(1.01)	2.48	-	100%	Colombia
23	Cipla (Jiangsu) Pharmaceutical Co., Ltd	08th August, 2019	CNY	January - December	11.7525	336.48	(103.25)	436.15	202.92	-	5.10	8.96	-	8.96	-	100%	China
24	Cipla (China) Pharmaceutical Co., Ltd	20th May, 2019	CNY	January - December	11.7525	11.26	0.34	13.14	1.53	-	7.77	0.43	2.96	(2.53)	-	100%	China

Salient Features of Financial Statements of Subsidiaries and Associates

Statement pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of the Companies (Accounts) Rules, 2014 in form AOC-1 related to Subsidiaries and Associate Companies

Part (A) : Information on Subsidiaries (Contd..)

₹ in Crores

Sr. No.	Name of the subsidiary company	Date since when subsidiary was acquired	Reporting currency	Reporting period	Exchange rate as on 31st March 2025	Share Capital	Reserves and Surplus	Total Assets	Total Liabilities	Investment other than Investment in subsidiary	Turnover *	Profit before Taxation *	Provision for Taxation *	Profit after Taxation *	Proposed Dividend	% of Share Holding	Country of Incorporation
25	Cipla USA Inc.	12th September, 2012	USD	April - March	85.4750	15.87	835.07	3,840.27	2,989.33	-	6,638.72	630.26	161.81	468.45	-	100%	USA
26	Invagen Pharmaceuticals Inc.	17th February, 2016	USD	April - March	85.4750	4,389.78	(1,273.81)	3,762.12	646.15	-	806.89	(147.76)	(194.56)	46.80	-	100%	USA
27	Exelan Pharmaceuticals Inc.	17th February, 2016	USD	April - March	85.4750	3.31	423.21	637.58	211.05	-	891.85	78.26	34.72	43.55	-	100%	USA
28	Cipla Kenya Limited	08th October, 2012	KES	April - March	0.6613	0.01	1.82	73.68	71.86	-	61.24	0.53	1.29	(0.76)	-	100%	Kenya
29	Cipla Therapeutics Inc.	15th May, 2020	USD	April - March	85.4750	151.10	(140.06)	21.46	10.41	-	-	(24.39)	28.03	(52.42)	-	100%	USA
30	Cipla Medpro Manufacturing (Pty) Limited	15th July, 2013	ZAR	April - March	4.7075	0.00	225.36	631.18	405.82	-	773.72	34.10	9.89	24.20	-	100%	South Africa
31	Cipla-Medpro (Pty) Limited	15th July, 2013	ZAR	April - March	4.7075	0.00	71.84	74.46	2.62	-	21.96	5.47	1.58	3.89	-	100%	South Africa
32	Cipla-Medpro Distribution Centre (Pty) Limited	15th July, 2013	ZAR	April - March	4.7075	0.00	(3.47)	75.88	79.35	-	73.92	-	0.47	(0.47)	-	100%	South Africa
33	Cipla Medpro Botswana (Pty) Limited	15th July, 2013	ZAR	April - March	4.7075	0.00	-	-	-	-	-	-	-	-	-	100%	Botswana
34	Cipla Select (Pty) Limited (Formerly known as Cipla OLTP Proprietary Limited)	15th July, 2013	ZAR	April - March	4.7075	0.00	22.58	99.39	76.81	-	138.26	33.06	8.84	24.22	-	100%	South Africa
35	Medpro Pharmaceutica (Pty) Limited	15th July, 2013	ZAR	April - March	4.7075	423.68	332.70	2,011.97	1,255.59	-	2,043.46	45.94	15.03	30.91	-	100%	South Africa
36	Mirren (Pty) Limited	22nd October, 2018	ZAR	April - March	4.7075	0.00	27.17	92.64	65.47	-	99.38	2.43	0.95	1.48	-	100%	South Africa
37	Actor Pharma (Pty) Limited	07th February, 2024	ZAR	April - March	4.7075	0.00	41.07	57.18	16.10	-	61.19	(2.14)	(0.36)	(1.78)	-	100%	South Africa
38	Aspergen Inc	30th August, 2022	USD	April - March	85.4750	201.54	(175.70)	65.74	39.90	-	-	(71.04)	0.02	(71.06)	-	60%	USA
39	Mexicip S.A. de C.V.	22nd January, 2024	MXN	April - March	4.1713	3.66	(0.07)	-	(3.59)	-	-	0.12	-	0.12	-	100%	Mexico
40	Cipla Health Employees Stock Option Trust	14th March, 2016	INR	April - March	1.0000	-	-	-	-	-	-	-	-	-	-	100%	India
41	The Cipla Empowerment Trust	30th June, 2022	ZAR	April - March	4.7075	-	(5.25)	-	5.25	-	0.23	(2.14)	-	(2.14)	-	100%	South Africa

* Converted using average rate

Subsidiaries which are yet to commence operations:

Cipla Pharmaceuticals Limited

Cipla Medpro Botswana (Pty) Limited

Aspergen Inc

Mexicip S.A. de C.V. (Wholly owned subsidiaries incorporated w.e.f. 22nd January, 2024)

Subsidiaries which have been liquidated or sold during the year:

Cipla Dibcare (Pty) Limited (Dissolved w.e.f. 26th June, 2024)

Cipla Philippines Inc. (Dissolved retrospectively w.e.f 31st March, 2024)

Salient Features of Financial Statements of Subsidiaries and Associates

Salient Features of Financial Statements of Subsidiaries and Associates Statement pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of the Companies (Accounts) Rules, 2014 in form AOC-1 related to Subsidiaries and Associate Companies

Part (B) : Associates

Sr No.	Name of the associate	Shares of Associate held by the Company on 31st March, 2025							Profit/Loss for the year ended 31st March, 2025		
		Latest Audited Balance Sheet Date	Date on which the Associate or Joint Venture was associated or acquired	No. of shares	Amount of Investment in Associate (In Crore)	Extent of Holding %	Net worth attributable to Shareholding (In Crore)	Considered in Consolidation (In Crore)	Not Considered in Consolidation (In Crore)	Description of how there is significant influence	Reason why the associate is not considered
1	Stempeutics Research Private Limited	31st March, 2025	01st October, 2010	2,18,58,803	80.28	34.36%	-	(10.31)	(1.85)	-	-
2	Brandmed (Pty) Limited	31st March, 2025	24th April, 2019	375	31.62	30.00%	20.20	(1.15)	-	-	-
3	AMPSolar Power Systems Private Limited	31st March, 2025	12th June, 2019	1,01,800	9.00	26.00%	1.12	-	-	-	-
4	GoApptiv Private Limited#	31st March, 2025	27th July, 2020	60,570	76.90	22.99%	79.12	(0.83)	-	-	-
5	AMP Energy Green Eleven Private Limited	31st March, 2025	08th February, 2022	7,50,000	7.50	32.49%	0.84	-	-	-	-
6	Clean Max Auriga Power LLP$	31st March, 2025	14th December, 2021	NA	6.75	33.00%	5.86	-	-	-	-
7	Achira Labs Pvt Ltd*	31st March, 2025	17th August, 2022	71,37,023	31.00	21.05%	26.73	(1.63)	-	-	-
8	MKC Biotherapeutics Inc.	31st March, 2025	27th February, 2024	NA	14.32	34.40%	6.60	(7.93)	-	-	-

The figures of Goapptiv Private Limited is after consolidating its subsidiary - Iconphygital Private Limited and Pactiv Healthcare Private Limited.No. of shares include 47,121 Compulsory Convertible Preference Shares and 13,449 equity shares.

$ There are no shares as the entity is a LLP

* No. of shares include 10,32,949 Compulsory Convertible Preference Shares and 1,04,074 equity shares.

Note: For details on date of acquisition of associates, refer annexure A to note 1 'Material accounting policies and key accounting estimates and judgements' of consolidated financials statements.

For and on behalf of the **Board of Directors**

Umang Vohra
Managing Director and
Global Chief Executive Officer
DIN: 02296740

Kamil Hamied
Non-Executive Director
DIN: 00024292

Ashish Adukia
Global Chief Financial Officer

Rajendra Chopra
Company Secretary

Mumbai, 13th May, 2025

Independent Assurance Statement*

to the Management of Cipla Limited

Cipla Limited (Corporate Identity Number L24239MH1935PLC002380, hereafter mention as 'Cipla' or 'the Company') has commissioned DNV Business Assurance India Private Limited ("DNV", "us" or "we") to conduct an independent limited level assurance for the sustainability non-financial disclosures in its 'Integrated Report FY 2024-25' (hereafter referred as 'Report') for the period FY 2024-25.

Scope of Work and Boundary

While the scope of work as agreed is a limited level of assurance of the GRI disclosure in the Report, a reasonable level of assurance was carried out for the GRI 302: Energy 2016 – 302-1, 302-3;

GRI 303: Water and Effluents 2018 – 303-3, 303-4, 303-5;

GRI 305: Emissions 2016 – 305-1, 305-2;

GRI 306: Waste 2020 – 306-3; 306-4; 306-5 and

GRI 418: Customer Privacy 2016 – 418-1 disclosures as a part of the BRSR Core assessment as mentioned in Annexure I. The reported topic boundaries of non-financial performance are based on the internal and external materiality assessment covering the Company's operations as brought out in the section 'About this Report' of the report."

Based on the agreed scope with the Company, the boundary of limited level of assurance covers the operations of Cipla across all global locations.

Reporting Criteria and Standards

The disclosures have been prepared by Cipla:

- "in accordance" to requirements of Global Reporting Initiative (GRI) standards 2021
- Integrated Reporting (<IR>) framework of the International Integrated Reporting Council (IIRC)
- United Nations Sustainable Development Goals (SDGs)
- Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard.

Our competence and Independence

DNV applies its own management standards and compliance policies for quality control, which are based on the principles enclosed within ISO/IEC 17029:2019- Conformity Assessment – General principles and requirements for validation and verification bodies and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements. DNV has complied with the Code of Conduct during the assurance engagement. DNV's established policies and procedures are designed to ensure that DNV, its personnel and, where applicable, others are subject to independence requirements (including personnel of other entities of DNV) and maintain independence where required by relevant ethical requirements.

This engagement work was carried out by an independent team of sustainability assurance professionals. During the reporting period i.e. FY 2024-25, DNV, to the best of its knowledge, was not involved in any non-audit/non-assurance work with the Company and its Group entities which could lead to any Conflict of Interest. DNV was not involved in the preparation of any statements or data included in the Report except for this Assurance Statement. DNV maintains complete impartiality toward stakeholders interviewed during the assurance process.

Assurance Methodology/ Standard

DNV carried out the assurance engagement in accordance with DNV's VeriSustain™ protocol (V6.0), which is based on our professional experience and international assurance practice, and the international standard in Assurance Engagements, ISAE 3000 (revised) - Assurance Engagements other than Audits or Reviews of Historical Financial Information. DNV's VeriSustainTM Protocol (V6.0) has been developed in accordance with the most widely accepted reporting and assurance standards. Apart from DNV's VeriSustain™ protocol (V6.0), DNV team has also followed ISO 14064-3 - Specification with guidance for the verification and validation of greenhouse gas statements; ISO 14046 - Environmental management - Water footprint - Principles, requirements, and guidelines, to evaluate disclosures wrt. Greenhouse gases and water disclosures respectively.

Basis of our conclusion

As part of the assurance process, a multi-disciplinary team of assurance specialists performed assurance work for selected sites of Cipla. We carried out the following activities:

- We adopted a risk-based approach, that is, we concentrated our assurance efforts on the issues of high material relevance to the Company's business and its key stakeholders.
- Reviewed the disclosures in the report. Our focus included general disclosures, GRI topic specific disclosures and any other key metrics specified under the reporting framework.
- Understanding the key systems, processes and controls for collecting, managing and reporting the non-financial disclosures in report.

* GRI 2-5

- Walk-through of key data sets. Understand and test, on a sample basis, the processes used to adhere to and evaluate adherence to the reporting requirements.
- Collect and evaluate documentary evidence and management representations supporting adherence to the reporting requirements.
- Interviews with the senior managers responsible for management of disclosures. We were free to choose interviewees and interviewed those with overall responsibility of monitoring, data collation and reporting the selected GRI disclosures.
- DNV audit team conducted on-site audits for corporate offices and sites. Sample based assessment of site-specific data disclosures was carried out. We were free to choose sites for conducting our assessment.
- Reviewed the process of reporting as defined in the assessment criteria.
- Interviews with selected senior managers responsible for management of disclosures and review of selected evidence to support environmental KPIs and metrics disclosed in the Report. We were free to choose interviewees and interviewed those with overall responsibility of monitoring, data collation and reporting the selected indicators.
- Verification of the consolidated reported performance disclosures in context to the Principle of Completeness as per VeriSustain™ Protocol, V6.0 for limited level of assurance for the disclosure.

Our Conclusion:

On the basis of the limited level of assessment undertaken, for GRI disclosures as mentioned in Annexure I, nothing has come to our attention to suggest that the disclosures are not fairly stated and are not prepared, in all material aspects, in accordance with the reporting criteria.

Principles as per DNV VeriSustainTM Protocol (V6.0)

1. **Materiality**

   The process of determining the issues that are most relevant to an organization and its stakeholders.

   The Report explains out the double materiality assessment process carried out by the Company which has considered concerns of internal and external stakeholders, and inputs from peers and the industry, as well as issues of relevance in terms of impact for Cipla's business. The list of topics has been prioritized, reviewed and validated, and the Company has indicated that there is no significant change in material topics from the previous reporting period.

   Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Materiality.

2. **Responsiveness**

   The extent to which an organization responds to stakeholder issues.

   The Report adequately brings out the Company's policies, strategies, management systems and governance mechanisms in place to respond to topics identified as material and significant concerns of key stakeholder groups. Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Responsiveness.

   Nothing has come to our attention to believe that the Report does not meet the requirements related to the Principle of Responsiveness.

3. **Reliability/Accuracy**

   The accuracy and comparability of information presented in the report, as well as the quality of underlying data management systems.

   The Report brings out the systems and processes that the Company has set in place to capture and report its performance related to identified material topics across its reporting boundary. The majority of information mapped with data verified through our onsite and remote assessments with Cipla's management teams and process owners at the Corporate Office and sampled sites within the boundary of the Report were found to be fairly accurate and reliable. Some of the data inaccuracies identified in the report during the verification process were found to be attributable to transcription, interpretation, and aggregation errors. These data inaccuracies have been communicated for correction and the related disclosures were reviewed post correction.

   Nothing has come to our attention to believe that the Report does not meet the principle of Reliability and Accuracy.

4. **Completeness**

   How much of all the information that has been identified as material to the organization and its stakeholders is reported?

   The Report brings out the Company's performance, strategies and approaches related to the environmental, social and governance issues that it has identified as material for its operational locations coming under the boundary of the report, for the chosen reporting period while applying and considering the requirements of Principle of Completeness.

   Nothing has come to our attention to suggest that the Report does not meet the Principle of Completeness with respect to scope, boundary and time.

5. **Neutrality/Balance**

   The extent to which a report provides a balanced account of an organization's performance, delivered in a neutral tone.

   The Report brings out the disclosures related to Cipla's performance during the reporting period in a neutral tone in terms of content and presentation, while considering the overall macroeconomic and industry environment.

Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Neutrality.

Responsibility of the Company

Cipla has the sole responsibility for the preparation of the Report and is responsible for all information disclosed in the Report. The company is responsible for maintaining processes and procedures for collecting, analyzing and reporting the information and ensuring the quality and consistency of the information presented in the Report. Cipla is also responsible for ensuring the maintenance and integrity of its website and any referenced disclosures on their website.

DNV's Responsibility

In performing this assurance work, DNV's responsibility is to the Management of the Company; however, this statement represents our independent opinion and is intended to inform the outcome of the assurance to the stakeholders of the Company.

DNV disclaims any liability or co-responsibility for any decision a person or entity would make based on this assurance statement.

Use and distribution of Assurance statement

This assurance statement, including our conclusion has been prepared solely for the Company in accordance with the agreement between us. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Management of the Company for our work or this assurance statement. We have not performed any work, and do not express any conclusion, on any other information that may be published outside of the Report and/or on Company's website for the current reporting period.

The use of this assurance statement shall be governed by the terms and conditions of the contract between DNV and the Cipla and DNV does not accept any liability if this assurance statement is used for an alternative purpose from which is intended, not to any third party in respect of this assurance statement.

Inherent Limitations

DNV's assurance engagement assume that the data and information provided by the Company to us as part of our review have been provided in good faith, is true, complete, sufficient, and authentic, and is free from material misstatements. The assurance scope has the following limitations:

- The assurance engagement considers an uncertainty of ±5% based on materiality threshold for estimation/measurement errors and omissions.
- DNV has not been involved in the evaluation or assessment of any financial data/performance of the company. DNV's opinion on financial disclosures relies on the third party audited financial reports of the Company. DNV does not take any responsibility of the financial data reported in the audited financial reports of the Company.
- The assessment is limited to data and information within the defined Reporting Period. Any data outside this period is not considered within the scope of assurance.
- Data outside the operations specified in the assurance boundary is excluded from the assurance, unless explicitly mentioned otherwise in this statement.
- The assurance does not cover the Company's statements that express opinions, claims, beliefs, aspirations, expectations, aims, or future intentions. Additionally, assertions related to Intellectual Property Rights and other competitive issues are beyond the scope of this assurance.
- The assessment does not include a review of the Company's strategy or other related linkages expressed in the Report. These aspects are not within the scope of the assurance engagement.
- The assurance does not extend to mapping the Report with reporting frameworks other than those specifically mentioned. Any assessments or comparisons with frameworks beyond the specified ones are not considered in this engagement.
- Aspects of the Report that fall outside the mentioned scope and boundary are not subject to assurance. The assessment is limited to the defined parameters.
- The assurance engagement does not include a review of legal compliances. Compliance with legal requirements is not within the scope of this assurance, and the Company is responsible for ensuring adherence to relevant laws.

For DNV Business Assurance India Private Limited

Ankita Parab
Lead Verifier

Anjana Sharma
Assurance Reviewer

Assurance Team:
Goutam Banik, Suraiya Rahman, Varsha Bohiya, Himanshu Babbar
18/06/2025, Mumbai, India.

Annexure I

Disclosures assured for Reasonable level of assurance as a part of the BRSR assessment:

- GRI 302: Energy 2016 – 302-1*, 302-3;
- GRI 303: Water and Effluents 2018 – 303-3, 303-4, 303-5;
- GRI 305: Emissions 2016** – 305-1, 305-2;
- GRI 306: Waste 2020 – 306-3; 306-4; 306-5
- GRI 418: Customer Privacy 2016 – 418-1.

Disclosures assured for Limited level of assurance:

- GRI 2: General Disclosures 2021 – 2-7, 2-8;
- GRI 204: Procurement Practices 2016- 204-1;
- GRI 205: Anti-corruption 2016 – 205-1, 205-2, 205-3;
- GRI 206: Anti-competitive Behavior 2016 – 206-1;
- GRI 302: Energy 2016 – 302-4, 302-5;
- GRI 303: Water and Effluents 2018 – 303-1, 303-2;
- GRI 304: Biodiversity 2016 – 304-1;
- GRI 305: Emissions 2016 –305-3***, 305-4, 305-5, 305-6, 305-7;
- GRI 306: Waste 2020 – 306-1, 306-2;
- GRI 308: Supplier Environmental Assessment 2016 – 308-1, 308-2;
- GRI 401: Employment 2016 – 401-1, 401-2, 401-3;
- GRI 402: Labor/Management Relations 2016 – 402-1;
- GRI 403: Occupational Health & Safety 2018 – 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9, 403-10;
- GRI 404: Training and Education 2016 – 404-1, 404-2, 404-3;
- GRI 405: Diversity and Equal Opportunity 2016 – 405-1, 405-2;
- GRI 406: Non-discrimination 2016 – 406-1;
- GRI 407: Freedom of Association and Collective Bargaining 2016 – 407-1
- GRI 408: Child Labor 2016 - 408-1;
- GRI 409: Forced or Compulsory Labor 2016 – 409-1;
- GRI 410: Security Practices 2016 – 410-1;
- GRI 413: Local Communities 2016 – 413-1;
- GRI 414: Supplier Social Assessment 2016 - 414-1, 414-2;
- GRI 416: Customer Health and Safety 2016 – 416-1, 416-2;
- GRI 417: Marketing and Labeling 2016 – 417-1, 417-2, 417-3.

*Energy consumption data is reported as per the BRSR core Industry Standard requirements in the BRSR and GRI Standard 2021. Additionally, Cipla has purchased I-RECs equivalent to 95,005 MWh to convert their non-renewable power to renewable as per USEPA and RE100 guidelines. DNV's assurance boundary is limited to the data reported as per the requirements outlined in the Industry Standard on Reporting of BRSR Core (for BRSR), GRI Standard 2021 and Greenhouse Gas Protocol.

**Scope 1 GHG emissions are calculated based on 2006 IPCC Guidelines for National Greenhouse Gas Inventories, IPCC sixth assessment report. Scope 2 GHG emissions for Indian operations are calculated based on the Grid Electricity EF - Central Electricity Authority, Govt. of India, CO2 baseline database for Indian Power Sector, version 20, December 2024; Standardized baseline: Grid emission factor for the national power grid of Uganda, version 1.0; US EPA Emission Factors for Greenhouse Gas Inventories, June 2024; Harmonized IFI Default Grid Factors 2021, UNFCC, version 3.2. Scope 2 emission data has been calculated by a market-based approach.

*** In Scope 3 GHG emissions is calculated for Category 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13 and 15 as per GHG Protocol. Scope 3 emissions are calculated as based on IPCC Cross Sector tool (AR6), GaBi database, U.S. Environmentally-Extended Input-Output model (USEEIO) database, DEFRA 2024, GHG Protocol 2024 and IEA 2022.

Annexure II

Sites selected for audits

S.no	Site	Location
1.	Corporate Office	Mumbai
2.	India Sites (onsite)	Manufacturing plants- Indore, Madhya Pradesh Kurkumbh- Unit 1, 2, 3, Maharashtra Virgonagar, Karnataka Bommasandra, Karnataka Kundaim- Unit 1, Goa Goa- Unit 1, 2, 3 Warehouse- Vapi, Gujarat
3.	India Sites (remote audit)	Medispray, Satara, Maharashtra GC plant, Sikkim
4.	International Sites (remote audit)	Durban, SA

Independent Assurance Statement

to the Management of Cipla Limited

Cipla Limited (Corporate Identity Number L24239MH1935PLC002380, hereafter referred to as 'Cipla' or 'the Company') commissioned DNV Business Assurance India Private Limited ('DNV', 'us' or 'we') to undertake an independent assurance of the Company's disclosures in it's Business Responsibility and Sustainability Report (hereafter referred as 'BRSR') for the Financial Year (FY) 2024-25. The disclosures include the BRSR Core indicators as per Annexure 17A and the rest non-financial disclosures as per Annexure 16 of Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/0155, dated November 11, 2024.

Our Conclusion:

Reasonable level of Assurance- BRSR Core

Based on our review and procedures followed for reasonable level of assurance, DNV is of the opinion that, in all material aspects, the BRSR Core Key Performance Indicators (KPIs) under the 9 ESG attributes (as listed in Annexure I of this statement) for FY 2024-25 are reported in accordance with reporting requirements outlined in Industry Standard on Reporting of BRSR Core.

Limited Level of Assurance- BRSR Disclosures

On the basis of the assessment undertaken, nothing has come to our attention to suggest that the non-core, non-financial disclosures in BRSR (as listed in Annexure I of this statement) do not properly adhere to the reporting requirements as per BRSR reporting guidelines in Annexure 16 of SEBI's Master Circular.

Scope of Work and Boundary

The scope of our engagement includes a reasonable level of assurance for the '9 BRSR Core Attributes' and a limited level of assurance for the rest non-financial disclosures in BRSR for the period FY 2024-25 (as listed in Annexure I of this statement).

Boundary for the engagement covers the performance of Cipla's operations that fall under the direct operational control of the Company's Legal structure. Based on the agreed scope with the Company, the boundary of reasonable & limited level of assurance covers the operations of Cipla across all global locations.

Reporting Criteria and Standards

The disclosures have been prepared by Cipla in reference to:

- Industry Standard on Reporting of BRSR Core, Circular No.: SEBI/HO/CFD/CFD-PoD-1/P/CIR/2024/177 dated Dec 20, 2024.
- BRSR Core (Annexure 17A) and BRSR reporting guidelines (Annexure 16) as per Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/0155, dated November 11, 2024.
- Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard.

Assurance Methodology/Standard and Level of Assurance

This engagement for reasonable & limited level of assurance has been carried out in accordance with DNV's VeriSustain™ protocol, V6.0, which is based on our professional experience and international assurance practice, and the international standard in Assurance Engagements, ISAE 3000 (revised) - Assurance Engagements other than Audits or Reviews of Historical Financial Information. DNV's VeriSustain™ Protocol, V6.0 has been developed in accordance with the most widely accepted reporting and assurance standards.

Our competence, and Independence

DNV applies its own management standards and compliance policies for quality control, which are based on the principles enclosed within ISO/IEC 17029:2019- Conformity Assessment – General principles and requirements for validation and verification bodies and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements. DNV has complied with the Code of Conduct during the assurance engagement. DNV's established policies and procedures are designed to ensure that DNV, its personnel and, where applicable, others are subject to independence requirements (including personnel of other entities of DNV) and maintain independence where required by relevant ethical requirements.

This engagement work was carried out by an independent team of sustainability assurance professionals. During the reporting period i.e FY 2024-25, DNV, to the best of its knowledge, was not involved in any non-audit/non-assurance work with the Company and its Group entities which could lead to any Conflict of Interest. DNV was not involved in the preparation of any statements or data included in the Report except for this Assurance Statement. DNV maintains complete impartiality toward stakeholders interviewed during the assurance process.

Basis of our conclusion

As part of the assurance process, a multi-disciplinary team of assurance specialists performed assurance work for selected sites of Cipla. We carried out the following activities:

BRSR Core Indicators – Reasonable level of Assurance	Rest non-financial disclosures in BRSR – Limited Level of Assurance
Reviewed the disclosures under BRSR Core, encompassing the framework for assurance consisting of a set of Key Performance Indicators (KPIs) under 9 ESG attributes. The Industry Standard on Reporting of BRSR Core used a basis of reasonable level of assurance.	Reviewed the disclosures under BRSR reporting guidelines. Our focus included general disclosures, management processes, principle wise performance (essential indicators, and leadership indicators) and any other key metrics specified under the reporting framework. The BRSR reporting format used a basis of limited level of assurance.
Evaluation of the design and implementation of key systems, processes and controls for collecting, managing and reporting the BRSR Core indicators. Assessment of operational control and reporting boundaries	Understanding the key systems, processes and controls for collecting, managing and reporting the non-financial disclosures in BRSR. Understand and test, on a sample basis to evaluate adherence to the reporting principles.
Seek extensive evidence across all relevant areas, ensuring a detailed examination of BRSR Core indicators. Engaged directly with stakeholders to gather insights and corroborative evidence for each disclosed indicator.	Collect and evaluate documentary evidence and management representations supporting adherence to the reporting principles. We adopted a risk-based approach, that is, we concentrated our assurance efforts on the issues of high material relevance to the Company's business and its key stakeholders.
DNV audit team conducted on-site audits for data testing and also, to assess the uniformity in reporting processes and also, quality checks at different locations of the Company. Sites for data testing and reporting system checks were selected based on the percentage contribution each site makes to the reported indicator, complexity of operations at each location (high/low/medium) and reporting system within the organization. Sites selected for audits are listed in Annexure II.	DNV audit team conducted on-site audits for corporate offices and sites. Sample based assessment of site-specific data disclosures was carried out. We were free to choose sites for conducting our assessment.

In both the cases, DNV teams conducted the:

- Interviews with selected senior managers responsible for management of disclosures and review of selected evidence to support environmental KPIs and metrics disclosed in the Report. We were free to choose interviewees and interviewed those with overall responsibility of monitoring, data collation and reporting the selected indicators.
- Verification of the consolidated reported performance disclosures in context to the Principle of Completeness as per VeriSustain™ Protocol, V6.0 for both reasonable level and limited level of assurance for the disclosures.

Inherent Limitations

DNV's assurance engagement assume that the data and information provided by the Company to us as part of our review have been provided in good faith, is true, complete, sufficient, and authentic, and is free from material misstatements. The assurance scope has the following limitations:

- The assurance engagement considers an uncertainty of ±5% based on materiality threshold for estimation/measurement errors and omissions.
- DNV has not been involved in evaluation or assessment of any financial data/performance of the company. DNV opinion on specific BRSR Core indicators (for total revenue from operations; Principle 3, Question 1(c) of Essential Indicators for Spending on measures towards well-being of employees and workers – cost incurred as a % of total revenue of the company; Principle 8, Question 4 of Essential Indicators, Principle 1, Question 8 of Essential Indicators and Principle 1, Question 9 of Essential Indicators) and other relevant non-core BRSR indicators relies on the third party audited financial reports of the Company. DNV does not take any responsibility of the financial data reported in the audited financial reports of the Company.
- The assessment is limited to data and information within the defined Reporting Period. Any data outside this period is not considered within the scope of assurance.
- Data outside the operations specified in the assurance boundary is excluded from the assurance, unless explicitly mentioned otherwise in this statement.
- The assurance does not cover the Company's statements that express opinions, claims, beliefs, aspirations, expectations, aims, or future intentions. Additionally, assertions related to Intellectual Property Rights and other competitive issues are beyond the scope of this assurance.
- The assessment does not include a review of the Company's strategy or other related linkages expressed in the Report. These aspects are not within the scope of the assurance engagement.
- The assurance does not extend to mapping the Report with reporting frameworks other than those specifically mentioned. Any assessments or comparisons with frameworks beyond the specified ones are not considered in this engagement.

- Aspects of the Report that fall outside the mentioned scope and boundary are not subject to assurance. The assessment is limited to the defined parameters.
- The assurance engagement does not include a review of legal compliances. Compliance with legal requirements is not within the scope of this assurance, and the Company is responsible for ensuring adherence to relevant laws.

Responsibility of the Company

Cipla has the sole responsibility for the preparation of the BRSR and is responsible for all information disclosed in the BRSR Core and BRSR. The company is responsible for maintaining processes and procedures for collecting, analyzing and reporting the information and also, ensuring the quality and consistency of the information presented in the Report. Cipla is also responsible for ensuring the maintenance and integrity of its website and any referenced BRSR disclosures on their website.

DNV's Responsibility

In performing this assurance work, DNV's responsibility is to the Management of the Company; however, this statement represents our independent opinion and is intended to inform the outcome of the assurance to the stakeholders of the Company. DNV disclaims any liability or co-responsibility for any decision a person or entity would make based on this assurance statement.

Use and distribution of Assurance statement

This assurance statement, including our conclusion has been prepared solely for the exclusive use and benefit of management of the company and solely for the purpose for which it is provided. To the fullest extent permitted by law, DNV does not assume responsibility to anyone other than company for DNV's work or this assurance statement. We have not performed any work, and do not express any conclusion, on any other information that may be published outside of the Report and/or on Company's website for the current reporting period.

The use of this assurance statement shall be governed by the terms and conditions of the contract between DNV and Cipla. DNV does not accept any liability if this assurance statement is used for any purpose other than its intended use, nor does it accept liability to any third party in respect of this assurance statement.

For DNV Business Assurance India Private Limited,

Ankita Parab
Lead Verifier

Anjana Sharma
Assurance Reviewer

Assurance Team:
Goutam Banik, Suraiya Rahman, Varsha Bohiya, Himanshu Babbar
18/06/2025, Mumbai, India.

Annexure I

1. **BRSR Core Disclosures- for reasonable level of assurance**
    - Section C: Principle 1- Essential Indicator 8, 9
    - Section C: Principle 3- Essential Indicator 1-c, 11
    - Section C: Principle 5- Essential Indicator 3-b, 7
    - Section C: Principle 6- Essential Indicator 1*, 3, 4, 7**, 9
    - Section C: Principle 8- Essential Indicator 4, 5
    - Section C: Principle 9- Essential Indicator 7
2. **BRSR Disclosures- Limited level of assurance**
    - Section A: General Disclosures- 20-a, b, 21, 22, 25
    - Section C: Principle Wise Performance Disclosure-
        - Principle 1: Essential Indicator 1, Leadership Indicator 1
        - Principle 2: Leadership Indicator 4, 5
        - Principle 3: Essential Indicator 1-a, b, 2, 5, 7, 8, 9, 13, 14; Leadership Indicator 3, 5
        - Principle 5: Essential Indicator 1, 2, 6, 10; Leadership Indicator 4
        - Principle 6: Essential Indicator 5, 6; Leadership Indicator 1, 2***, 7
        - Principle 8: Leadership Indicator 6
        - Principle 9: Essential Indicator 2, 3, 4

*Energy consumption data is reported as per the BRSR core Industry Standard requirements. Additionally, Cipla has purchased I-RECs equivalent to 95,005 MWh to convert their non-renewable energy to renewable as per USEPA and RE100 guidelines. However, DNV's assurance boundary is limited to the data reported as per the requirements outlined in the Industry Standard on Reporting of BRSR Core.

**Scope 1 GHG emissions are calculated based on 2006 IPCC Guidelines for National Greenhouse Gas Inventories, IPCC sixth assessment report.

Scope 2 GHG emissions for Indian operations are calculated based on the Grid Electricity EF - Central Electricity Authority, Govt. of India, CO2 baseline database for Indian Power Sector, version 20, December 2024; Standardized baseline: Grid emission factor for the national power grid of Uganda, version 1.0; US EPA Emission Factors for Greenhouse Gas Inventories, June 2024; Harmonized IFI Default Grid Factors 2021, UNFCC, version 3.2. Scope 2 emission data has been calculated by a market-based approach.

*** In Scope 3 GHG emissions are calculated for Category 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13 and 15 as per GHG Protocol. Scope 3 emissions are calculated as based on IPCC Cross Sector tool (AR6), GaBi database, U.S. Environmentally-Extended Input-Output model (USEEIO) database, DEFRA 2024, GHG Protocol 2024 and IEA 2022.

Annexure II

Sites selected for audits

S.no	Site	Location
1.	Corporate Office	Mumbai
2.	India Sites (onsite)	Manufacturing plants- Indore, Madhya Pradesh Kurkumbh- Unit 1, 2, 3, Maharashtra Virgonagar, Karnataka Bommasandra, Karnataka Kundaim- Unit 1, Goa Goa- Unit 1, 2, 3 Warehouse- Vapi, Gujarat
3.	India Sites (remote audit)	Medispray, Satara, Maharashtra GC plant, Sikkim
4.	International Sites (remote audit)	Durban, SA

GRI Content Index

Statement of use	Cipla Limited has reported in accordance with the GRI Standards for the period 1st April, 2024 to 31st March, 2025.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	Not Applicable

GRI Standard	Disclosure	Location
GRI 2: General Disclosures 2021	2-1 Organizational details	About Cipla (Page no. 03) Global Reach (Page no. 06) Corporate Information (Page no. 11) BRSR (Page no. 170, 171)
	2-2 Entities included in the organization's sustainability reporting	About this Report (Page no. 02)
	2-3 Reporting period, frequency and contact point	About this Report (Page no. 02)
	2-4 Restatements of information	BRSR (Page no. 177, 181, 182, 188)
	2-5 External assurance	About this Report (Page no. 02) Assurance Statement (Page no. 418)
	2-6 Activities, value chain and other business relationships	About Cipla (Page no. 03) Global Reach (Page no. 06) Value Creation Model (Page no. 22) Manufactured Capital (Page no. 63) Relationship Capital (Page no. 101) BRSR (Page no. 170, 171)
	2-7 Employees	Human Capital (Page no. 80, 81)
	2-8 Workers who are not employees	Human Capital (Page no. 80)
	2-9 Governance structure and composition	Board of Directors (Page no. 08) Report on Corporate Governance (Page no. 191, 192)
	2-10 Nomination and selection of the highest governance body	Report on Corporate Governance (Page no. 194, 195)
	2-11 Chair of the highest governance body	Not applicable as Dr Y K Hamied is Non-Executive Chairman of the Company
	2-12 Role of the highest governance body in overseeing the management of impacts	Contributing to a Sustainable Future (Page no. 37) Report on Corporate Governance (Page no. 191, 195) BRSR (Page no. 175, 180)
	2-13 Delegation of responsibility for managing impacts	Contributing to a Sustainable Future (Page no. 37) Report on Corporate Governance (Page no. 191, 192) Management Council (Page no. 09)
	2-14 Role of the highest governance body in sustainability reporting	Contributing to a Sustainable Future (Page no. 37) Double Materiality Assessment (Page no. 46) About this Report (Page no. 02)
	2-15 Conflicts of interest	BRSR (Page no. 177)
	2-16 Communication of critical concerns	Report on Corporate Governance (Page no. 214) Stakeholder Engagement (Page no. 40)
	2-17 Collective knowledge of the highest governance body	Report on Corporate Governance (Page no. 183) BRSR (Page no. 176)

GRI Standard	Disclosure	Location
	2-18 Evaluation of the performance of the highest governance body	Report on Corporate Governance (Page no. 196)
	2-19 Remuneration policies	Report on Corporate Governance (Page no. 199, 200) Nomination and Remuneration Policy (https://www.cipla.com/sites/default/files/1560495705_Revised%20Remuneration%20Policy.pdf)
	2-20 Process to determine remuneration	Report on Corporate Governance (Page no. 199, 200) Nomination and Remuneration Policy (https://www.cipla.com/sites/default/files/1560495705_Revised%20Remuneration%20Policy.pdf)
	2-21 Annual total compensation ratio	Ratio of the annual total compensation for the organisation's highest-paid individual to the median annual total compensation for all employees – 181.2 Ratio of the percentage increase in annual total compensation for the organisation's highest paid individual to the median percentage increase in annual total compensation for all employees – (1.27)
	2-22 Statement on sustainable development strategy	MD and GCEOs Message (Page no. 14-17)
	2-23 Policy commitments	Human Capital (Page no. 89) Report on Corporate Governance (Page no. 212) BRSR (Page no. 174, 182)
	2-24 Embedding policy commitments	Human Capital (Page no. 92) Report on Corporate Governance (Page no. 215) BRSR (Page no. 174, 176, 177)
	2-25 Processes to remediate negative impacts	Stakeholder Engagement (Page no. 40) Code of Conduct (https://www.cipla.com/about-us/code-conduct) Report on Corporate Governance (Page no. 215) BRSR (Page no. 177, 188)
	2-26 Mechanisms for seeking advice and raising concerns	Report on Corporate Governance (Page no. 214) Stakeholder Engagement (Page no. 40) Code of Conduct (https://www.cipla.com/about-us/code-conduct)
	2-27 Compliance with laws and regulations	Natural Capital (Page no. 116) BRSR (Page no. 176)
	2-28 Membership associations	Relationship Capital (Page no. 102)
	2-29 Approach to stakeholder engagement	Stakeholder Engagement (Page no. 40)
	2-30 Collective bargaining agreements	Human Capital (Page no. 92, 93)
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Double Materiality Assessment (Page no. 46)
	3-2 List of material topics	Double Materiality Assessment (Page no. 47)

GRI Standard	Disclosure	Location
Access and Affordability of Medicines		
GRI 3: Material Topics 2021	3-3 Management of material topics	Relationship Capital (Page no. 99) Social Capital (Page no. 107)
Product Quality and Safety		
GRI 3: Material Topics 2021	3-3 Management of material topics	Manufactured Capital (Page no. 63, 66)
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Manufactured Capital (Page no. 67) Relationship Capital (Page no. 101)
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Manufactured Capital (Page no. 67)
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	Relationship Capital (Page no. 102)
	417-2 Incidents of non-compliance concerning product and service information and labeling	Relationship Capital (Page no. 102)
	417-3 Incidents of non-compliance concerning marketing communications	Relationship Capital (Page no. 102)
Data Privacy and Cyber Security		
GRI 3: Material Topics 2021	3-3 Management of material topics	Manufactured Capital (Page no. 69)
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Manufactured Capital (Page no. 69)
Innovation and Research and Development		
GRI 3: Material Topics 2021	3-3 Management of material topics	Intellectual Capital (Page no. 71)
Sustainable Supply Chain		
GRI 3: Material Topics 2021	3-3 Management of material topics	Relationship Capital (Page no. 103)
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Relationship Capital (Page no. 103)
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Relationship Capital (Page no. 104)
	308-2 Negative environmental impacts in the supply chain and actions taken	Relationship Capital (Page no. 104)
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Relationship Capital (Page no. 104)
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Relationship Capital (Page no. 104)
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Relationship Capital (Page no. 104)
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Relationship Capital (Page no. 104)
	414-2 Negative social impacts in the supply chain and actions taken	Relationship Capital (Page no. 104)
Corporate Governance and Business Ethics		
GRI 3: Material Topics 2021	3-3 Management of material topics	Report on Corporate Governance (Page no. 191)
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Financial Capital (Page no. 129)
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	BRSR (Page no. 176)
	205-2 Communication and training about anti-corruption policies and procedures	BRSR (Page no. 176)
	205-3 Confirmed incidents of corruption and actions taken	BRSR (Page no. 177)
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Relationship Capital (Page no. 102)

GRI Standard	Disclosure	Location
Occupational Health and Safety		
GRI 3: Material Topics 2021	3-3 Management of material topics	Human Capital (Page no. 93)
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Human Capital (Page no. 93, 94)
	403-2 Hazard identification, risk assessment, and incident investigation	Human Capital (Page no. 94)
	403-3 Occupational health services	Human Capital (Page no. 97)
	403-4 Worker participation, consultation, and communication on occupational health and safety	Human Capital (Page no. 95)
	403-5 Worker training on occupational health and safety	Human Capital (Page no. 95)
	403-6 Promotion of worker health	Human Capital (Page no. 96)
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Human Capital (Page no. 97) Relationship Capital (Page no. 104)
	403-8 Workers covered by an occupational health and safety management system	Human Capital (Page no. 96)
	403-9 Work-related injuries	Human Capital (Page no. 97)
	403-10 Work-related ill health	Human Capital (Page no. 97)
Human Capital Management		
GRI 3: Material Topics 2021	3-3 Management of material topics	Human Capital (Page no. 79)
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Human Capital (Page no. 87, 90)
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Human Capital (Page no. 85, 86)
	401-3 Parental leave	Human Capital (Page no. 85)
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	Human Capital (Page no. 92)
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Human Capital (Page no. 89)
	404-2 Programs for upgrading employee skills and transition assistance programs	Human Capital (Page no. 88)
	404-3 Percentage of employees receiving regular performance and career development reviews	Human Capital (Page no. 89)
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Human Capital (Page no. 80)
	405-2 Ratio of basic salary and remuneration of women to men	The ratio of basic salary and remuneration of women to men stands at 1.77. This ratio is calculated based on the FTE's of Cipla across the globe
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Human Capital (Page no. 92)
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Human Capital (Page no. 92)
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Human Capital (Page no. 92)
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Human Capital (Page no. 92)
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	Human Capital (Page no. 92)
Climate Action and Resource Management		
GRI 3: Material Topics 2021	3-3 Management of material topics	Natural Capital (Page no. 115)
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	Natural Capital (Page no. 120) TCFD Report FY 2022-23 (https://www.cipla.com/sites/default/files/Cipla-Task-Force-on-Climate-Related-Financial-Disclosures-Report.pdf)

GRI Standard	Disclosure	Location
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Natural Capital (Page no. 117)
	302-3 Energy intensity	Natural Capital (Page no. 117)
	302-4 Reduction of energy consumption	Natural Capital (Page no. 117)
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Natural Capital (Page no. 121)
	303-2 Management of water discharge-related impacts	Natural Capital (Page no. 122)
	303-3 Water withdrawal	Natural Capital (Page no. 121)
	303-4 Water discharge	Natural Capital (Page no. 121, 122)
	303-5 Water consumption	Natural Capital (Page no. 121)
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	BRSR (Page no. 185)
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Natural Capital (Page no. 126)
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Natural Capital (Page no. 119)
	305-2 Energy indirect (Scope 2) GHG emissions	Natural Capital (Page no. 119)
	305-3 Other indirect (Scope 3) GHG emissions	Natural Capital (Page no. 120)
	305-4 GHG emissions intensity	Natural Capital (Page no. 119, 120)
	305-5 Reduction of GHG emissions	Natural Capital (Page no. 117)
	305-6 Emissions of ozone-depleting substances (ODS)	Natural Capital (Page no. 120)
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	BRSR (Page no. 184)
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Natural Capital (Page no. 123)
	306-2 Management of significant waste-related impacts	Natural Capital (Page no. 123)
	306-3 Waste generated	Natural Capital (Page no. 123)
	306-4 Waste diverted from disposal	Natural Capital (Page no. 125)
	306-5 Waste directed to disposal	Natural Capital (Page no. 124)
Community Wellbeing		
GRI 3: Material Topics 2021	3-3 Management of material topics	Social Capital (Page no. 107)
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Social Capital (Page no. 107)
	413-2 Operations with significant actual and potential negative impacts on local communities	Social Capital (Page no. 107) BRSR (Page no. 188)
Technology and Digitilisation		
GRI 3: Material Topics 2021	3-3 Management of material topics	Manufactured Capital (Page no. 64) Human Capital (Page no. 82) Relationship Capital (Page no. 99)

Glossary of Abbreviations

Abbreviation	Full Form
<IR>	Integrated Reporting
AAM	Association of Accessible Medicines
ABPA	Allergic Bronchopulmonary Aspergillosis
ACCS	Automatic Condenser Tube Cleaning System
ADCs	Antibody Drug Conjugates
ADHD	Attention Deficit Hyperactivity Disorder
ADRs	American Depository Receipts
AFR	Alternative Fuels and Materials
AGM	Annual General Meeting
AHU	Air Handling Unit
AI	Artificial Intelligence
AIDS	Acquired Immuno Deficiency Syndrome
ALARP	As Low As Reasonably Practicable
ALIVE	Aspire,Learn,Innovate,Voice and Engage
AMR	Anti-Microbial Resistance
ANDA	Abbreviated New Drug Application
API	Active Pharmaceutical Ingredient
ARV	Anti Retro Viral
ATFD	Agitated Thin Film Dryer
ATM	All Things Money
B2B	Business-to-business
BCP	Business Continuity Planning
BLWC	Breathefree Lung Wellness Centre
BMPs	Biodiversity Management Plans
BMTs	Bone Marrow Transplants
BPH	Benign Prostate Hyperplasia
BPS	Basis points
BRSR	Business Responsibility and Sustainability Report
CAGR	Compound Annual Growth Rate
CAPA	Corrective and Preventive Action
CCMDD	Central Chronic Medicine Dispensing and Distribution
CCS	Contamination Control Strategy
CDSCO	Central Drugs Standard Control Organisation
CESTAT	Customs, Excise and Service Tax Appellate Tribunal
CGA	Cipla Global Access
CGT	Competitive Generic Therapy
CGU	Cash Generating Unit
CHL	Cipla Health Limited
CII	Confederation of Indian Industry
CIN	Corporate Identity Number
CME	Continuing Medical Education
CMO	Contract Manufacturing Organisations
CNS	Central Nervous System
CO2	Carbon Dioxide
COA	Community Oncology Alliance
CODM	Chief Operating Decision Maker
COE	Centre of Excellence
COPD	Chronic Obstructive Pulmonary Disease
COSO	Committee of Sponsoring Organizations
COVID	Coronavirus disease
CPC	Care and Training Centre
CQA	Corporate Quality Assurance
CQCIL	Cipla Quality Chemicals Industries Limited
CRM	Customer Relationship Management

Abbreviation	Full Form
CSR	Corporate Social Responsibility
CSRD	Corporate Sustainability Reporting Directive
CTAP	Climate Transition Action Plan
cUTI	complicated Urinary Tract infections
DCGI	Drug Controller General of India
DCS	Distributed Control Systems
DIN	Directors Identification Number
DJSI	Dow Jones Sustainability Index
DMA	Double Materiality Assessment
DMF	Drug Master Files
DPCO	Drugs (Prices Control) Orders Act
DPI	Dry Powder Inhaler
DTM	Direct-to-Market
E&L	Extractables and Leachables
EBITDA	Earnings before interest, taxes, depreciation, and amortization
EC	Electronically Commutated
ECL	Expected credit loss
EDQM	European Directorate for the Quality of Medicines
EFRAG	European Financial Reporting Advisory Group
EHS	Environment Health and Safety
EIR	Effective interest rate
EM	Emerging Markets
EMA	European Medicines Agency
EMEU	Emerging Markets & Europe
EML	Essential Medicine List
EPR	Extended producer responsibility
EPS	Earnings Per Share
ERGs	Employee Resource Groups
ERM	Enterprise Risk Management
ESAR	Employee Stock Appreciation Rights
ESG	Environment, Social and Governance
ESIC	Employee State Insurance Corporation
ESOP	Employee Stock Option
ESOS	Employee Stock Option Scheme
ESRS	European Sustainability Reporting Standards
ETP	Effluent Treatment Plant
FDA	Food and Drug Administration
FICCI	Federation of Indian Chambers of Commerce & Industry
FIEO	Federation of Indian Export Organisations
FMIIP	Fédération Marocaine de l'Industrie et de l'Innovation Pharmaceutiques
FOPE	Federation of Pharma Entrepreneurs
FVTOCI	Fair value through other comprehensive income
FVTPL	Fair value through profit or loss
FY	Financial Year
GBMSA	Generics & Biosimilars Medicines of South Africa
GBP	Great Britain Pound
GCEO	Global Chief Executive Officer
GCFO	Global Chief Financial Officer
GDR	Global Depository Receipts
GEP-NETs	Gastroenteropancreatic Neuroendocrine Tumors
GHG	Green House Gas
GIDC	Goa Industrial Development Corporation

Abbreviation	Full Form
GJ	Giga Joules
GMP	Good Manufacturing Practices
GORD	gastro-esophageal reflux disease
GRI	Global Reporting Initiative
GST	Goods and Services Tax
GVP	Good Pharmacovigilance Practices
Gx	Generics drugs
HAP	Hazardous air pollutants
HAZID	Hazard Identification
HAZOP	Hazard Operability
HCP	Healthcare Professionals
HDA	Healthcare Distribution Alliance
HIV	Human Immunodeficiency Virus
HPLC	High- Performance Liquid Chromatography
IA	Internal Audit
IBBI	India Business & Biodiversity Initiative
ICAI	Institute of Chartered Accountants of India
ICCA	International Council for Commercial Arbitration
ICMR	Indian Council of Medical Research
IEPF	Investors Education and Protection Fund
IFC	Internal Financial Controls
IGBA	International Generic and Biosimilar Medicines Association
IIRC	International Integrated Reporting Council
IIS	investigator-initiated studies
IND	Investigational New Drug
IND AS	Indian Accounting Standards
IoT	Internet of Things
IPA	Indian Pharmaceutical Association
IPA	Indian Pharmaceutical Alliance
IPD	Integrated Product Development
IPM	Indian Pharma Market
IPR&D	In-Process Research and Development assets
IPWD	International Day of Persons with Disabilities
IRMC	Investment and Risk Management Committee
IROs	Impacts, Risks, and Opportunities
ISMS	Information Security Management System
ISO	Organization for Standardization
IT	Information Technology
IUCN	International Union for Conservation of Nature
JIBAR	Johannesburg Interbank Average Rate
KFDA	Korea Food and Drug Administration
KL	Kilo Liter
KMP	Key Managerial Persons
KPI	Key Performance Indicators
KWp	Kilo Watt peak
LAIs	Long-Acting Injectables
LAMA	long-acting muscarinic antagonist
LCA	Life Cycle Assessments
LGWP	Low Global Warming Potential Propellant
LLP	Limited Liability Partnership
LMIC	low-and middle-income countries
LMS	Learning Management System
LODR	Listing Obligations and Disclosure Requirements
LPG	Liquefied Petroleum Gas
LTIFR	Lost Time Injury Frequency Rate
MAT	Minimum Alternate Tax
MCA	Ministry of Corporate Affairs
MD	Managing Director
MDI	Metered Dosage Inhaler

Abbreviation	Full Form
MEE	Multiple Effect Evaporator
MES	Manufacturing Execution System
MHRA	Medicines and Healthcare Products Regulatory Agency, UK
MHU	Mobile Health Units
ML	Machine Learning
MoEFCC	Ministry of Environment, Forest and Climate Change
MS	Single quadrupole mass spectrometry
MSL	Mobile Science Lab
MT	Metric Tonnes
MWh	Megawatt-hour
NAT	Nucleic Acid Testing
NCD	Non Communicable Diseases
NDA	New Drug Applications
NGO	Non-Governmental Organisation
NIST	National Institute of Standards and Technology
NLEM	National List of Essential Medicines
NMPA	National Medical Products Administration, China
NOx	Nitrogen oxides
NPPA	National Pharmaceutical Pricing Authority
OADs	Obstructive Airway Diseases
OASIS	Optimising Antimicrobials for improving Stewardship
OCI	Other comprehensive income
ODS	Ozone Depleting Substances
OECD	Organisation for Economic Co-Operation and Development
OHH	Occupational Health and Hygiene
OHS	Occupational Health and Safety
OHSAS	Occupational Health and Safety Assessment Series
OSD	Oral Solid Dosage
OT	Operational Technology
OTC	Over The Counter
P.a.	Per annum
PAGE	Foundation for Pharmaceutical Academy for Global Excellence
pALD	Paediatric Abacavir/Lamivudine/ Dolutegravir
PAT	Profit After Tax
PBRB	Performance Based Retention Bonus
PCF	Product Carbon Footprint
PEC	Predicted Environmental Concentration
PHARMEXCIL	Pharmaceutical Export Promotion Council
PIT	Prohibition of Insider Trading
PM	Particulate matter
PMDA	Pharmaceuticals and Medical Devices Agency, Japan
pMdI	Pressured Metered Dose Inhaler
POP	Persistent organic pollutants
POSH	Prevention of Sexual Harassment
PPP	Purchasing Power Parity
PQP	Prequalification of Medicines Programme
PRPCS	Paediatric Palliative Care Leadership Programme
PSCI	Pharmaceutical Supply Chain Initiative
QMS	Quality Management System
R&D	Research and development
R&R	Rehabilitation and Resettlement
RCP	Representative Concentration Pathways

Abbreviation	Full Form
RE	Renewable Energy
RO	Reverse Osmosis
RoE	Return on Equity
RoIC	Return on invested capital
ROU	Right-of-Use
RPT	Related Party Transactions
RPT Policy	Policy on Related Party Transactions
RTA	Registrar and Share Transfer Agent
RWE	Real-World Evidence
Rx	Prescription drugs
SAGA	South Africa, Sub-Saharan Africa, Global Access
SAHPRA	South African Health Products Regulatory Authority
SC	Supreme Court
SCM	Supply Chain Management
SCoC	Supplier Code of Conduct
SDD	Structured Digital Database
SDGs	Sustainable Development Goals
SEBI	Securities and Exchange Board of India
SEZ	Special Economic Zone
SFE	Sales Force Effectiveness
SHRM	Society for Human Resource Management
SIA	Social Impact Assessments
SMA	Spinal Muscular Atrophy
SMP	Senior Management Personnel
SOP	Standard Operating Procedure
SOx	sulfur oxides
SSA	Sub-Saharan Africa
STP	Sewage Treatment Plant
SVHC	Substances of Very High Concern
TA	Tentative Approval
TCFD	Task Force on Climate Related Financial Disclosures
tCO2e	Tonnes of CO2 Equivalent
TEACH	Training and Educational Centre for Hearing Impaired
TGA	Theoretical Goods Administration
TJ	Tera Joules
TLD	Tenofovir-Lamivudine-Dolutegravir
TNFD	Task-force on Nature related Financial Disclosures
TSDF	Treatment,Storage and Disposal Facilities
UNSDG	United Nations Sustainable Development Goals
UPSI	Unpublished price sensitive information
USD	US Dollar
USFDA	United States Food and Drug Administration
UTIs	Urinary Tract Infections
VAI	Voluntary Action Indicated
VAP	Ventilator-Associated Pneumonia
VC	Video conferencing
VFD	Variable Frequency Drive
VOC	Volatile organic compounds
VTFD	Vertical Thin Film Dryer
WACC	Weighted average cost of capital
WHO	World Health Organisation
WUGs	Water User Groups
XDR	Extended Detection and Response
ZAR	South African Rand
ZLD	Zero Liquid Discharge
ZWTL	Zero Waste to Landfill

Notes

Disclaimer

Except for the historical information contained herein, statements in this annual report and the subsequent discussions may constitute "forward-looking statements". These risks and uncertainties include, but are not limited to our ability to successfully implement our strategy, our growth and expansion plans, our ability to obtain regulatory approvals, technological changes, fluctuation in earnings, foreign exchange rates, our ability to manage international operations and exports, our exposure to market risks, impact of pandemic as well as other risks that could cause actual results to differ materially from those suggested by the forward-looking statements.

Cipla Limited does not undertake any obligation to update forward-looking statements to reflect events or circumstances after the date thereof. This annual report and its contents is not intended to endorse, advertise, promote or recommend the use of any products listed in it which are for representation purpose only, some of which are reference listed drugs of which the Company has approved, under approval or under development generic equivalents. The prefixes "g" and "generic" used interchangeably indicate the generic versions of the named brand drugs. Information relating to any medical products or medical devices contained herein is provided by Cipla for general information purposes only. Information on any of the medical products or medical devices may vary from country-to-country. A reference to a medical product or a medical device does not imply that such medical product or medical device is available in your country. The commercial availability of the medical products or medical devices listed herein in your country is dependent on the validity and status of existing patents and/or marketing authorisations related to each. An independent enquiry regarding the availability of each medical products or medical device should be made for each individual country. The product information contained herein is not intended to provide complete medical information and is not intended to be used as an alternative to consulting with qualified doctors or health care professionals. Nothing contained herein should be construed as giving of advice or the making of a recommendation and it should not be relied on as the basis for any decision or action. It is important to only rely on the advice of a health-care professional.

Cipla

Cipla Limited

Cipla House, Peninsula Business Park,
Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400013
Tel: +91 22 41916000; Fax: +91 22 41916120
Email: contactus@cipla.com; Website: www.cipla.com
Corporate Identity Number: L24239MH1935PLC002380

Creative consultants : K&A & Cipla SAGA I www.kalolwala.com