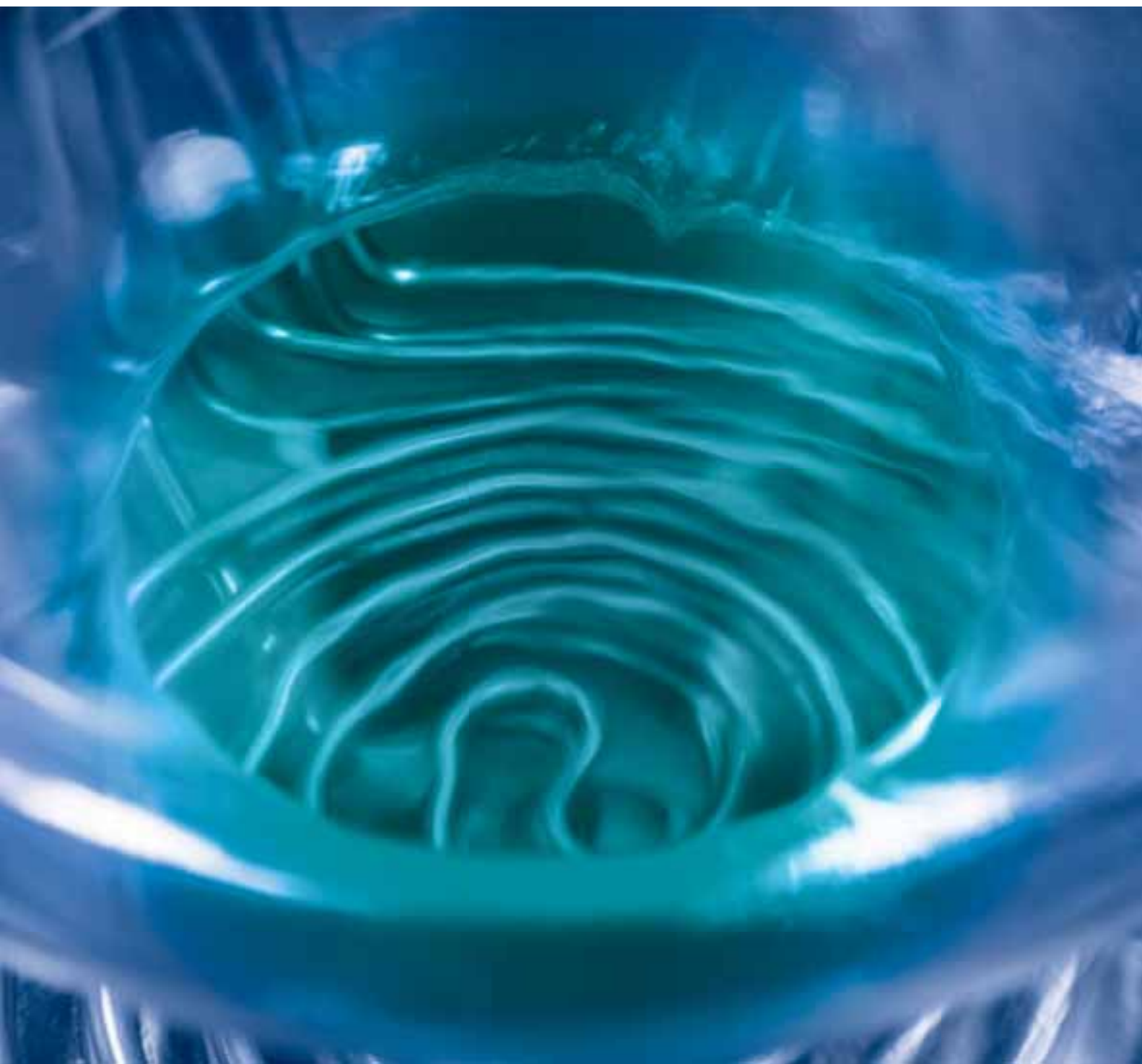


Cipla

SEVENTY-NINTH
Annual Report
2014-15



Contents

From the Chairman.....	2
From the Managing Director and Global CEO	4
Directors' Report.....	7
Annexures to the Directors' Report.....	24
Report on Corporate Governance	58
Independent Auditors' Report.....	74
Balance Sheet	78
Statement of Profit and Loss.....	79
Cash Flow Statement.....	80
Notes to the Accounts.....	82
Salient Features of Financial Statements of Subsidiaries/Associates/Joint Ventures.....	123
Independent Auditors' Report on the Consolidated Financial Statements	127
Consolidated Balance Sheet.....	132
Consolidated Statement of Profit and Loss.....	133
Consolidated Cash Flow Statement	134
Notes to the Consolidated Accounts.....	136
Notice.....	176
Attendance Slip.....	185
Route Map to the AGM venue	186
Proxy Form.....	187
Ten-Year Highlights.....	Inside Back Cover

Cautionary Statement

Certain statements in this annual report may constitute "forward-looking statements". These forward-looking statements are subject to a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the 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, cash flow projections, our exposure to market risks as well as other risks.

Founder

Dr. K. A. Hamied
(1898-1972)

Chairman

Dr. Y. K. Hamied

Vice-Chairman

Mr. M. K. Hamied

Managing Director and Global Chief Executive Officer

Mr. Subhanu Saxena

Whole-time Director

Mr. S. Radhakrishnan

Executive Director

Ms. Samina Vaziralli

Independent Directors

Mr. Ashok Sinha
Dr. Peter Mugenyi
Mr. Adil Zainulbhai
Ms. Punita Lal
Dr. Nachiket Mor

Company Secretary

Mr. Mital Sanghvi

Corporate Identification No.

L24239MH1935PLC002380

Bankers

Bank of Baroda
Canara Bank
Corporation Bank
Indian Overseas Bank
Standard Chartered Bank
The Hongkong & Shanghai Banking
Corporation Limited
Union Bank of India

Auditors

V. Sankar Aiyar & Co.
R. G. N. Price & Co.

Cost Auditor

Mr. D. H. Zaveri

Secretarial Auditor

BNP & Associates

Registered Office

Cipla House
Peninsula Business Park,
Ganpatrao Kadam Marg,
Lower Parel, Mumbai – 400 013
www.cipla.com
Tel.: (022) 2482 6000

Share Transfer Agents

Karvy Computershare Private Limited
(Unit: Cipla Limited)
Karvy Selenium Tower B,
Plot No. 31 & 32 Gachibowli,
Financial District, Nanakramguda,
Serilingampally, Hyderabad, Telangana – 500 032
Tel.: (040) 6716 2222

FROM THE CHAIRMAN

Dear Shareholders



“The developing world has to be viewed on humanitarian grounds as it requires access to medicines at affordable prices so that none shall be denied medication. This is a basic fundamental human right.”

It is a pleasure to inform you about the Company's future in a spirit of confidence and hope. In August 2015, Cipla will complete 80 years in business. I have been actively involved in your Company for the past 55 years and during this period by the grace of the Almighty, we have made considerable progress and are now among the leading generic drug companies in India and also internationally. The year under review was an interesting period of change for your Company. We will continue our growth as the opportunities for us to expand are abundant, both domestically and globally.

The future for Indian pharmaceutical companies continues to be bright. The need for healthcare is high in our country, especially given the ability of companies like ours to generate savings across therapies and markets

in an environment of growing healthcare costs. In this context, a word of praise for the indigenous pharma industry. India is regarded as the pharmacy of the world. Pharma exports have risen from US\$ 100 million in 1980 to US\$ 15 billion in 2014, the target being US\$ 25 billion by 2025. India has a larger number of US FDA-approved factories than any other country. In the USA alone, Indian pharma companies have a 30-40% share of the total generics market. Apart from traditional generics, our capabilities now extend to complex drugs and newer delivery systems in many areas such as oncology, respiratory and HIV/AIDS. In addition to the USA, the industry has also made a major impact throughout the rest of the world. Specifically within India, the impact has also been significant. Prices of medicines here are the lowest in the world even when compared to countries like Pakistan, Bangladesh, Indonesia and Philippines. In India there is intense competition and in certain products there are many competing brands. Free competition is the only way to achieve availability and low pricing. The situation will now undergo a major change with high prices for drugs which enjoy monopolies protected under the present patent law. We have one billion people in the global North and over 6 billion in the global South – developed and developing countries. To date, no new drug of any significant value has been invented in the South. All have been in the North – all under patent protection for 20 years, all under monopoly and exclusivity. This leads to high monopolistic pricing throughout the world and thus unaffordability for the vast majority in the South. The overall solution to this problem is a pragmatic, non-exclusive

compulsory or obligatory licensing system specifically for the developing world, for all newer patented drugs and their formulations. A reasonable royalty payment should be provided for the inventor. The developing world has to be viewed on humanitarian grounds as it requires access to medicines at affordable prices so that none shall be denied medication. This is a basic fundamental human right.

All governments should therefore ensure that there is no monopoly in essential drugs required for the healthcare needs of their country. With a population of 1.3 billion, India has to take urgent steps towards this. What happens in India with regard to its patent laws, the use of TRIPS flexibilities, developments in the drug industry, and access to medicines in India, has tremendous implications for all developing countries and the world. India today is a major producer and supplier of affordable drugs worldwide; the world is relying on medicines from India and our Government must not, under any circumstances, dilute our patent related laws.

We are keenly awaiting our Government's stance on various issues pertaining to the pharmaceutical industry and healthcare. In this area, governments worldwide preach, protect and push for their own national needs and interests. It is therefore of the utmost importance that our government should support the indigenous industry that looks after the healthcare of our nation. I have mentioned this very forcefully on many occasions in the past and will continue doing so in the future.

Companies like Cipla should be taken into confidence by the Government to initiate pragmatic

policies for the benefit of the health of our countrymen. The government should initiate attractive market conditions by supporting capital investment, encouraging R&D, and creating a favorable tax environment. Instead of regulating prices in a highly competitive market where prices are already amongst the lowest in the world, the Government's focus should be to have no monopolies and free competition in life-saving drugs.

Cipla recognizes its obligations to society and to you, our shareholders. It is our sincere endeavour to provide vital, essential and life-saving medicines at affordable prices, not only in India, but also worldwide. Cipla has always followed a commercial philosophy based on humanitarian considerations. We strongly believe we have the ability to demonstrate and convey this globally. Cipla is now better equipped in facilities, manpower, products, and with the experience to do more than ever before for people around the world in the area of healthcare. We continue to strive to be at the forefront of the pharmaceutical industry, both in India and internationally.



Y. K. Hamied

FROM THE MANAGING DIRECTOR AND GLOBAL CEO

Strategies for Growth

“As we celebrate the 80th year of Cipla’s existence, I wish to thank all our Cipla colleagues, investors and other stakeholders in India and around the world, for their tireless efforts and continued support.”



Over the last 80 years, Cipla has transformed the lives of millions around the world by providing patients with high quality affordable medicines. Building on our strong foundation, we are progressing well and have defined a roadmap to enable the Company to provide patients with access to medicine well into the future.

Our actions are bearing fruit and we expect the growth momentum from Q4 of the financial year 2014-15 to continue over the coming year. I am delighted to announce that in the last 12 months our revenues grew by 11.5% to ₹11,345 crore. While we faced several challenges over the first three quarters of the year, the corrective actions we put in place have resulted in robust revenue momentum in Q4. The EBITDA margin for FY 2014-15 was 19.1% (₹2,162 crore), helped by price/mix changes, licensing deals and good cost management. We are in a significant investment phase for the future, and will continue to invest in our pipeline and capabilities.

Growth in Key Markets

The last year has been eventful within Cipla and more broadly in the markets in which we operate, but with the challenges have also come many strong achievements. Our home markets, India and South Africa, have performed well under difficult market conditions. Our India team continues to deliver above-market growth in a highly competitive environment, and in some regions our performance has been exceptional. The business momentum in South Africa last quarter has created a strong platform for FY 2015-16. Our North America ‘go-live’ commenced in January 2015, and we received supply awards from some of the biggest retail chains. I see tremendous energy in our North America team to secure our brand and position in the world’s biggest pharma market. We also saw good growth in Europe Direct to Market (DTM) revenues, and secured Onco BCG supply from Serum Institute of India (SII) for Greece and Spain.

Building the Right Organization

Cipla has a professional management team in place which is well embedded across all functions and levels, and this team will continue to lead and drive Cipla. As we look to maximize delivery of our plans for the next three years and beyond, we have created a structure to ensure we have the right balance and focus on delivering day-to-day performance as well as driving the overall strategic agenda for the business. This structure enables a single point of accountability for end-to-end operational delivery of the business, helps capitalize on synergies, and ensures lean and focused governance. Further, this structure incorporates our global reach and presence and is designed to ensure flexibility as we continue to grow. The simplification has helped deliver strong operational performance in the last quarter of FY 2014-15.

Through the last year, we continued to exert ever greater demands on our operational backbone. This has resulted in securing more capacity, improving forecasting, strengthening procurement, and improving business operations across the organization. However, the job is not yet completely done and I look forward to further strengthening our fundamentals in the coming year.

Strategies for Growth

On the strategy and business development front, we signed numerous deals this year which will increase our growth momentum. Our Mergers & Acquisitions (M&A), on-ground business development and integration management teams have put in months of effort to de-risk our business in critical markets. We successfully incorporated the Cipla subsidiaries in Sri Lanka and Morocco, and integrated front-end teams in Myanmar, Nepal, Malaysia and several other markets. We received approvals for some of our respiratory pipeline in Europe. Cipla Global Access (CGA) is well established as a strategic business, and this year we signed a collaboration agreement with Medicines for Malaria Venture (MMV) for development of rectal artesunate, and consolidated our world-class ARV credentials with a Global Fund tender win.

Our Cipla New Ventures team also had a busy year. To elaborate, this year Stempeutics Research got its novel pool technology patent granted in the USA as well as an Advanced Therapy Medicinal Product (ATMP) classification from the European Medicines Agency for its lead product, Stempeucel, for the treatment of various indications

including Buerger's disease, critical limb ischemia and osteoarthritis. Plans are progressing well in biosimilars as well as in consumer health. Details of developments in these areas are highlighted in the Directors' Report.

Looking Ahead

To summarize, we have spent the year building a stronger foundation and our goals this year will allow us to fulfill our mission for the patients we serve and to continue investing in our people.

Our priorities for the next year will not only allow us to build business momentum, but also help address the challenges we faced with some of the business operations in FY 2014-15.

Our top priorities for FY 2015-16 are the following:

- 1 Deliver our financial commitments
- 2 Build and launch a robust pipeline for today and the future
- 3 Further strengthen our operations across manufacturing, supply chain and procurement
- 4 Execute our growth strategies
- 5 Integrate the recent deals signed
- 6 Invest in our people to build a strong leadership bench for the future
- 7 Simplify the organization, including processes and systems – in particular, I see a lot of scope to simplify how we operate

As we celebrate the eightieth year of Cipla's existence, I wish to thank all our Cipla colleagues, investors and other stakeholders

in India and around the world for their tireless efforts and continued support. Our pipeline of projects is secure and more than 80% of our critical launches are on track. We have expanded applications across multiple technology platforms including implants, microspheres, ready-to-use injections, cochleates, nanotechnology, preservative-free ophthalmics, nasal sprays, foams, and spray patches among others. Our focus on respiratory continues as we look to introduce new products and devices in the markets we operate in. Together we are building an organisation to capitalize on our unique ability to transform the lives of millions around the world by making high quality, affordable medicines more accessible. I am positive the best is yet to come.



Subhanu Saxena



Directors' Report

The Directors take pleasure in presenting the Seventy-Ninth Annual Report of the Company along with the audited financial statements for the financial year ended 31st March 2015.

Financial Summary

₹ in crore

Year ended 31 st March 2014			Year ended 31 st March 2015	
Standalone	Consolidated		Standalone	Consolidated
9836	10556	Gross total revenue	10373	11620
1818	1880	Profit before tax	1540	1654
1389	1389	Profit for the year	1181	1181
4269	4351	Surplus brought forward from last balance sheet	5330	5412
5658	5740	Profit available for appropriation	6511	6593
		Appropriations:		
161	161	Dividend	161	161
27	27	Tax on dividend	33	33
140	140	Transfer to general reserve	-	-
-	-	Adjustment of depreciation	40	41
5330	5412	Surplus carried forward	6277	6358

DIVIDEND

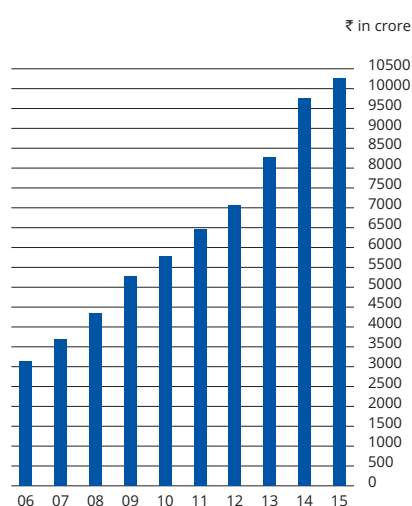
The Directors recommend a dividend of ₹2 per equity share (100%) for the year 2014-15. The dividend, if sanctioned at the Annual General Meeting, will be paid to those members whose names appear in the Company's Register of Members on Wednesday, 12th August 2015. In respect of shares held in dematerialised form, the dividend will be payable on the basis of beneficial ownership as per details furnished by National Securities Depository Limited and Central Depository Services (India) Limited.

Directors' Report *contd.*

MANAGEMENT DISCUSSION AND ANALYSIS: 2014-15

Global Business Review

Sales and Other Income (Standalone)



With a footprint across five continents, Cipla is moving fast towards its goal of making affordable healthcare available to all.

The Company's revenue from operations on a consolidated basis during the financial year 2014-15 amounted to ₹11,345 crore against ₹10,173 crore in the previous year, recording a growth of 11.5%. The income from operations for domestic business increased by 18%, from ₹4,090 crore in the previous financial year to ₹4,825 crore in the financial year under review. Total exports increased by 5.6% during the year to ₹6,058 crore. During the year under review, operating margin reduced by 2.7%. This was primarily due to the change in product mix, higher investments in research and development, and talent acquisition. Profit for the year reduced by 15% to ₹1,181 crore from ₹1,389 crore in the previous financial year.

India Ratings and Research Private Limited, a Fitch Group Company, assigned a Long-Term Issuer Rating of IND AAA with a stable outlook to the Company. The rating is the highest assigned in Fitch's rating scale and indicates the highest degree of safety regarding timely servicing of financial obligations and lowest credit risk.

No material changes and commitments have occurred after the close of the year till the date of this Report, which affect the financial position of the Company.

India

As one of India's leading pharmaceutical companies, Cipla is in a strong position to fulfill its commitment to provide modern

and affordable medicines to patients. This year, despite the challenges, as per IMS Health data, Cipla's domestic business revenues grew by 20% compared to the industry growth of 12%.

India business contributed 42% to overall Company revenues, with new products contributing 3.2%. Market share of our branded generics currently stands at 5.27%. Cipla continues to focus on in-licensing opportunities. In FY 2014-15, Cipla has in-licensed darbepoetin.

Cipla successfully launched the generic drug sofosbuvir in India for the treatment of hepatitis-C under the brand name HepCvir. In India alone it is estimated that 12-18 million patients are infected with hepatitis-C, of which up to 2 million may need treatment. Sofosbuvir is a new antiviral drug which in combination therapy has shown to have higher cure rates. It represents a breakthrough in the treatment of hepatitis C.

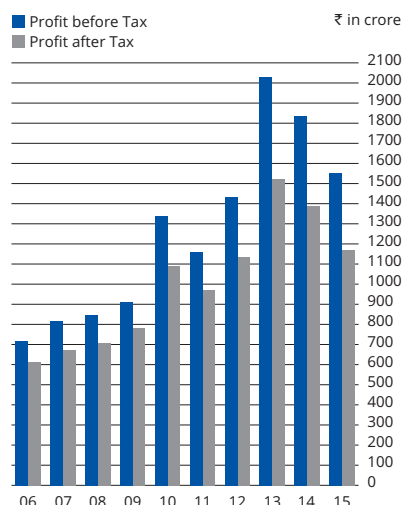
In the coming years, the domestic business will continue to focus on these themes:

- Grow well ahead of market growth
- Execute plans for the priority business segments
- Strengthen our leadership in therapy and geography
- Focus on building current and future product pipeline
- Increase sales force productivity with the rollout of Customer Relationship Management (CRM) and Sales Force Automation (SFA) systems



Directors' Report *contd.*

Growth in Profits (Standalone)



South Africa

As one of the largest pharmaceutical companies in South Africa, Cipla has a market share of more than 5%. South Africa contributes 14% to the overall Cipla revenues on a consolidated basis. The South Africa business revenue has grown at 9% in the private market over the last three years. On a like-for-like basis, the South Africa business registered a revenue growth of 4% for the year. The Cipla brand inspires trust and has become a household name among consumers, pharmacies, prescribers and key opinion leaders.

The private market contributed 73% of revenues. Cipla also won Government tenders in antiretrovirals (ARV), respiratory and newer areas such as mental health, cardiovascular and women's health categories. The manufacturing facility at Durban provides the Company a competitive edge and is the first Pharmaceutical Inspection Convention (PIC)-compliant facility in the country. The manufacturing unit generated a profit, as compared to a loss last year, achieved by significantly improving utilization, improved efficiencies and cost control measures.

Capitalizing on its defined future portfolio, key development and in-licensing projects, and streamlined global organizational structure, Cipla South Africa will leverage synergies from its international family. Plans are on track and the integration across manufacturing supply chain, finance and human resources is complete. The Company has leveraged its skill and scale to drive down costs in areas such as procurement.

Aligning with Cipla's philosophy of providing South Africans with access to a broader range of affordable medicines and leveraging the leadership position in South Africa, Medpro Pharmaceutica (Pty) Ltd — a subsidiary company of Cipla Medpro — entered into a

sales and distribution arrangement with Teva Pharmaceuticals (Pty) Ltd, an affiliate of Teva Pharmaceutical Industries Ltd. The collaboration will focus on the following therapeutic areas: oncology, central nervous system, women's health, cardiovascular, ophthalmology and other specialty products.

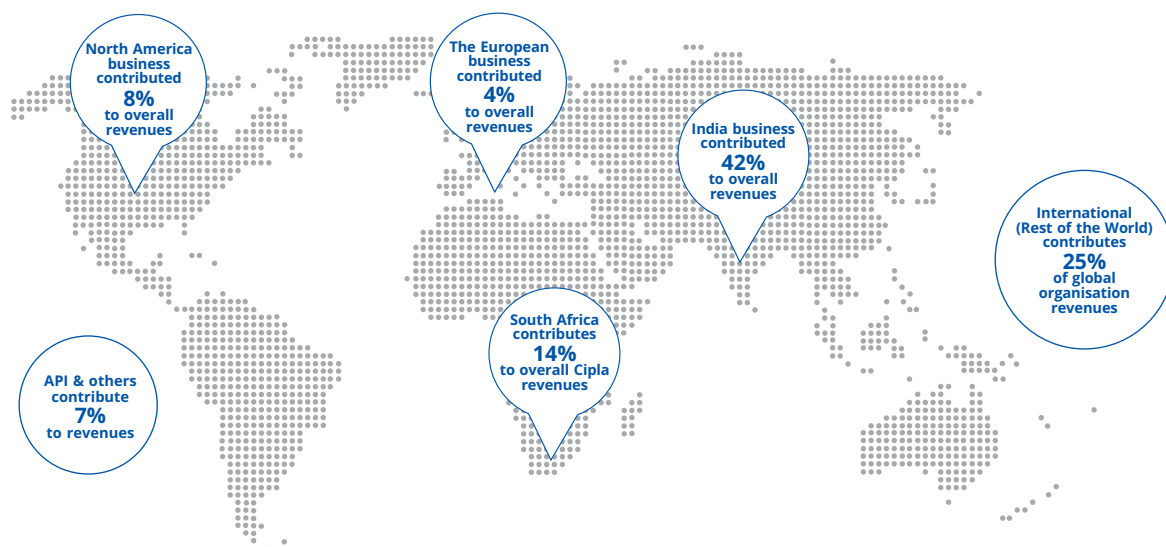
Europe

Cipla is making innovative, affordable medication accessible in over 20 countries across Europe. The European business contributed 4% to the overall Company revenues, recording a decline of 24% in revenues for the year. The drop was driven by a one-off event in the previous year, a decline in partner based business and some supply-related issues. Plans have been put in place to address these issues and regain business momentum.

Cipla is focused on adding innovative elements to products, services and information through research and partnerships. We now have seven different inhaler products in the market in at least one European country. Our flagship product, the salmeterol-fluticasone MDI, is now in the market in Croatia, Germany, Czech Republic, Slovakia, Belgium and Hungary. The pricing level is set in accordance with the rules set out by individual countries, our estimation of affordability per country and our cost of goods, so the price differs somewhat from country to country. Cipla Europe NV signed a distribution agreement with Serum Institute of India Ltd. (SII) to market pediatric vaccines in Europe and expects to commence filings in the near future.

Cipla also signed an exclusive partnership with BioQuiddity to market OneDose ReadyfusOR™ in anesthetic applications for post-surgical pain management. Cipla intends to launch the CE Marked OneDose ReadyfusOR™ pre-filled

Directors' Report *contd.*



with ropivacaine under its own label in Europe in the next year. The ready-to-use infusion systems are non-electric, ambulatory, and should enable seamless transition between sites of care.

The Company initiated emergency supplies in Greece and Spain for ONCO BCG, a therapeutic product made from the BCG vaccine, indicated for the treatment of bladder cancer.

North America

The North American business contributed 8% to overall revenues and recorded 20% growth for the year. Cipla made 12 filings in North America in FY 2014-15 with a focus on respiratory, oncology and anti-infective therapies.

In the last quarter of FY 2014-15, the Company achieved a big milestone through the launch of its own label products in the market, including amlodipine, doxycycline, lamotrigine, meloxicam, topiramate and valacyclovir.

Cipla signed an agreement with Salix Pharmaceuticals, Inc., a US-based specialty pharmaceutical company. Under the agreement, Cipla has granted Salix exclusive rights under certain patent applications in the Rifaximin Complexes patent family controlled by Cipla. The grant is

on a worldwide basis, excluding the countries of Asia (other than Japan) and Africa. Salix is required to make an up-front payment and upon achievement, additional regulatory milestone payments to Cipla, in respect of the new license agreement regarding the Rifaximin Complexes patent rights. Salix will also pay a royalty on net sales of products covered by the Rifaximin Complexes patents licensed to Salix.

In the last quarter of financial year 2014-15, Teva Pharmaceutical Industries Ltd. announced the Food and Drug Administration (FDA) approval of the first generic equivalent to Nexium (esomeprazole magnesium) delayed-release capsules in the United States. Cipla is the supplier of the finished formulation to Teva.

Through a comprehensive partnership approach, Cipla has been dedicated to providing access to medicines to US patients for over 30 years. We have a strong team in place which is focused on executing our North America strategic plans.

International – Rest of the World

International is defined as all export markets for Cipla excluding North America, Europe and South Africa. With a diverse range of more than 1,000 products and 180 global

partners across 120 countries, Cipla has a presence in Africa, the Middle East, Latin America, Asia Pacific, China, and Russia. International contributes 25% of Company revenues and grew by 9% over the last year. Cipla's products are currently being used to treat more than 1.7 million HIV patients, 55 million malaria patients, and 300,000 patients in the area of reproductive and women's health.

Cipla implemented a business model change in 15 countries including Morocco, Algeria, Yemen, Sri Lanka and Uganda, adopting the direct-to-market (DTM) approach. This strengthening of the Company's front-end presence in markets was done through different entry modes such as acquisitions, joint ventures and Managed Sales Force (MSF). The Company will continue to build its front-end presence in select markets and will also continue to deepen its relationship with existing partners.

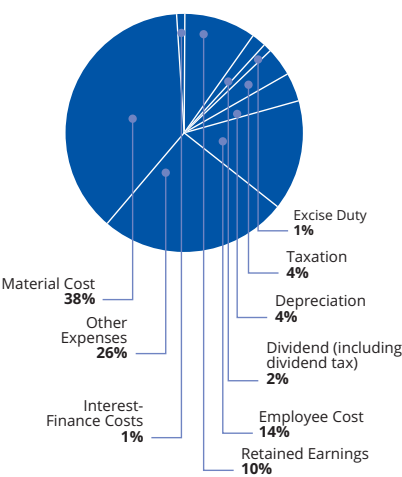
The Company's wholly-owned subsidiary, Meditab Holdings Ltd., Mauritius recently divested its 48.22% stake in CDYMAX, based in Jiangsu, China at a value of \$18.5mn, which was the initial value of our investment in the entity. Cipla is currently evaluating opportunities which will aid the overall growth of the Company in China.

Directors' Report *contd.*

STRATEGIC BUSINESS UNITS

Core areas of competence

Distribution of Revenue (Standalone)



Active Pharmaceutical Ingredients (APIs)

Cipla was among the first Indian companies to develop and manufacture Active Pharmaceutical Ingredients (APIs), the vital raw materials for making drug products. We currently have over 200 APIs in our portfolio. Our state-of-the-art API plants meet stringent quality and current good manufacturing practice (cGMP) requirements as well as environmental and safety standards. Our API plants are approved by various international regulatory agencies including the US Food and Drug Administration (US FDA).

During the year, Cipla manufactured APIs for more than 300 partners globally and a significant share was consumed internally to support Cipla's own formulation requirements.

Captive API requirements increased significantly owing to front-ending in several new markets and key launches globally, witnessing a more than 30% increase in captive consumption over the previous year, with the trend likely to continue in the coming year.

External API revenues contributed 6% to the overall revenues, with major contributions from the antiretroviral, gastroenterology, respiratory, neurology and oncology segments.

Cipla has established a robust portfolio selection process to build a future-ready pipeline of complex products which will help in providing early launch capabilities along with Intellectual Property (IP) advantages.

In the past year, we have added more than 70 new products to our development pipeline and are

continuously adding more with a view to expand our reach across the key therapeutic segments for the future as far as 2024. Although the effects of the new portfolio will be evident starting only in 2017, we are confident that the selected new products will invigorate our business both for APIs and for captive formulations across top markets.

Respiratory

Cipla has been at the forefront of innovation for inhalation therapy in India. The Company has played a leading role in educating the nation on inhalation therapy and over the coming years Cipla will continue to work on topics such as patient awareness, acceptance, compliance and usage, physician training, medical camps and counselling. Strongly focused on access and affordability, Cipla Respiratory continued to strengthen its efforts through the "BreatheFree" patient awareness and education programs across markets, dedicated to making a difference to both patients and medical practitioners.

Over the last 40 years, the Company has been focused on bringing this innovation to markets across the globe. Today, Cipla Respiratory products are available in over 100 countries. Cipla offers the world's largest portfolio of inhalation products, with 27 molecules and combinations across a range of devices, to suit individual patient needs. The Company manufactures metered dose inhalers (pMDIs), dry powder inhalers (DPIs), nasal sprays, nebulisers and a range of inhalation accessory devices. The company has five manufacturing facilities dedicated

Directors' Report *contd.*

to respiratory products and is currently the third largest manufacturer of pMDIs in the world.

This year Cipla Respiratory launched several inhalation products across European markets. In parallel, significant progress has been made on the development of critical new products for the US and other priority markets. Cipla's team of world-class specialists continues to collaborate seamlessly across functions to drive Cipla Respiratory to new frontiers. Competition remains aggressive and the Company needs to continue to maintain its agility to retain leadership.

During the year under review, Cipla acquired a 60% stake in Jay

Precision Pharmaceuticals Private Limited, a leading respiratory device manufacturer. Cipla has a long history of collaboration with Jay Precision for device design and manufacturing. As Cipla aims to make a strong foray in overseas markets, de-risking the respiratory devices supply through backward integration is key to strengthen the foundation. The deal provides in-house access to technical know-how for current and future device design, development and manufacturing.

Cipla has end-to-end capability across respiratory care covering the value chain from API, formulation, device development and manufacturing to medical and patient education.

Cipla Global Access

Since its inception, Cipla's ethos has been firmly rooted in the vision "None shall be denied". The Company strongly believes that access to high quality, affordable medicines is a basic human right.

Cipla Global Access (CGA) is a tender-based institutional business that concentrates on four key therapy areas: HIV/AIDS, malaria, multidrug-resistant tuberculosis, and reproductive health. The Company aims to reach out to 80 million patients in these four therapies by 2020.

Cipla has developed and fostered robust relationships with all the major global organisations, regulatory bodies, public



Directors' Report *contd.*

institutions and funding agencies that work towards this common cause. Additionally, Cipla has partnered with several global scientific research organisations to develop innovative, effective and affordable formulations for these four therapeutic areas.

Cipla is among the leading manufacturers of ARV drugs in the world. In 2001, Cipla was the first pharmaceutical company to supply ARVs to countries with a high HIV burden at less than a dollar a day. In the financial year 2014-15 alone, our ARV formulations covered nearly two million HIV patients in 100 countries. The Cipla ARV portfolio includes treatment for all age ranges of patients for effective management of HIV. Cipla has by far the highest number of ARV products approved for the treatment of both children and adults. In addition, newer molecules in novel dosage forms such as pellets are being developed to help optimise dosage for the current regimens, for the treatment of children and also to reduce the pill load, thereby offering better adherence and success of treatment. Cipla is adding new capacity for the growing demand for ARV products and expects the expansion to be completed in FY 2015-16.

Cipla is also one of the largest suppliers of antimalarial drugs in the world. This portfolio covered treatment for more than 55 million malaria patients across all the affected countries. The coverage is increasing every year and thus saving millions of lives. Cipla anti-malarial treatment costs less than a dollar for the entire course. Cipla has always been at the forefront in initiatives to identify, develop, manufacture and supply low cost treatment with

the artemisinin-based combination therapy (ACTs). All the ACTs supplied by Cipla are approved by WHO. Cipla is endeavouring to expand its portfolio. It will be expanded with more potent and safer antimalarials, using novel drug delivery systems.

Cipla has a strong second line TB drug (SLTB) portfolio for treating multidrug-resistant TB (MDR TB). It is aggressively expanding its MDR TB portfolio to meet the challenges of resistance which develops among TB patients due to the high rate of dropout from treatment. Till now, Cipla's SLTB drugs catered to a moderate patient base globally, but this is likely to increase significantly with the use of new diagnostic methods of detection drug-resistant TB. Future development in the MDR TB therapy area will be focused on newer molecules which can significantly reduce treatment timelines. Currently, Cipla services around 70 countries in this area. Reproductive health and family planning segment is an emerging segment in which Cipla currently caters to over 300,000 patients worldwide. Cipla has aligned its strategy with international development initiatives to provide safe and effective contraceptive drugs for 120 million more women by 2020.

Cipla Global Access also provides medications for helminthic infections, schistosomiasis and kala azar, which pose major health threats in low and middle income countries (LMIC).



In FY 2014-15, Cipla signed a non-exclusive licensing agreement with Gilead for manufacturing and distribution of sofosbuvir mono, ledipasvir mono, the fixed-dose combination of ledipasvir with sofosbuvir and the combination of sofosbuvir or ledipasvir with other active substances, for the treatment of hepatitis C. Under this licensing agreement, Cipla will be allowed to manufacture and market sofosbuvir, and ledipasvir in 90+ countries including its home markets, India and South Africa, under Cipla's own brand names. It also covers countries like Egypt which have a high prevalence of hepatitis C. The countries within the agreement account for more than 100 million people living with hepatitis C, representing 54% of the total global infected population.

Directors' Report *contd.*

CIPLA NEW VENTURES

The pharmaceutical world is seeing significant shifts — towards biology-based medicine; towards finding new value in old drugs, with blockbuster research output dwindling; and towards prevention, wellness and self-care. Cipla launched Cipla New Ventures (CNV) last year, as its impact investment arm, to nurture and build innovation-led business streams for Cipla, distinct from the mainstream business of today and tomorrow.

Incubators of Growth

CNV has over the past year built up four independent and strong business streams, putting in place specific capabilities and technologies while building a clear roadmap for each business. Ranging across diverse and promising areas such as biologicals, small-molecule innovation, consumer healthcare, and regenerative medicine, CNV's investments are poised to shape the future of Cipla.

Cipla BioTec – driving disruptive impact in biologics

Earlier this year Meditab Specialities Private Limited, a wholly owned subsidiary of the Company acquired 75% stake in Mabpharm Private Limited ('Mabpharm'). Mabpharm has now become a 100% subsidiary of the Company. Cipla BioTec (formerly Mabpharm) focuses on research, development, manufacturing and marketing of biosimilars, in the fields of cancer, auto-immune diseases, respiratory diseases and diabetes. Through innovative technology and go-to-market solutions, it aims to create a transformational impact in the way these medicines are used.

CipTec Discovery Engine – the small-molecule innovation engine – finds new value in old drugs

Cipla believes that the potential of currently used drugs is not fully exploited, and with smart delivery technology and modern

repurposing tools available today, new value can be created that will enhance the patient experience. Towards this, the CipTec Discovery Engine (DE) was envisaged as the small-molecule innovation engine of Cipla. Today, the CipTec DE pipeline consists of exciting early stage ideas in central nervous system (CNS) and oncology therapies, including a strategic investment in the US-based R&D Company, Chase Pharmaceuticals, during the previous year. Chase Pharmaceuticals has two lead assets in the pipeline for the treatment of patients with Alzheimer's disease, of which the first, CPC-201, has progressed to Phase II trials which are expected to be completed over the following year. CipTec continues to focus on developing and extending its pipeline, partnering with other innovators on medically and commercially attractive opportunities.

Cipla Consumer Healthcare – a Cipla initiative towards improving the lives of Indian consumers

Through Cipla Consumer Healthcare (CHC), Cipla has entered the rapidly growing over-the-counter (OTC) healthcare market in India. The vision is to improve the lives of Indian consumers, making full use of Cipla's strengths in bringing good science to good medicine, while also leveraging its market outreach and equity with the Indian healthcare system. The business

will focus on opportunities arising from the shift towards wellness and self-care.

Stempeutics – a first in innovative regenerative medicine in India

Stempeutics Research is a group company of Manipal Education and Medical Group and a joint venture with Cipla Ltd. This year, Stempeutics Research got its novel pool technology patent granted in the USA as well as an Advanced Therapy Medicinal Product ('ATMP') classification from the European Medicines Agency for its lead product, Stempeucel, for the treatment of various indications including Buerger's disease, critical limb ischemia and osteoarthritis. Stempeutics has also received its first commercial approval for Stempeucare for cosmetic applications in India.

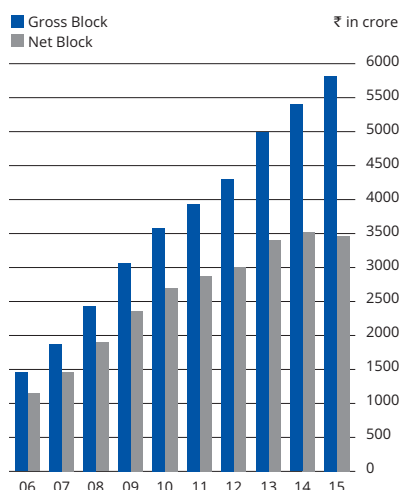


Directors' Report *contd.*

INTEGRATED PRODUCT DEVELOPMENT (IPD)

Investing in knowledge

Growth in Fixed Assets (Standalone)



Cipla's Integrated Product Development (IPD) organisation includes formulations and API R&D, clinical, analytical, regulatory and pharmacovigilance functions. Cipla's R&D expense increased from 5.4% of total revenue in FY 2013-14 to 6.2% in FY 2014-15. The Company has undertaken expansion of its R&D Centre with new buildings and facilities at Vikhroli, Mumbai.

Development projects, targeted filings and regulatory approvals have progressed well this year. Currently there are over 200 projects in development indicating a robust pipeline. In FY 2014-15, there were 70 submissions for formulations in Europe, 12 filings in North America, and over 1,000 filings in other international markets. The Company received more than 100 approvals in Europe, 5 in North America and more than 800 approvals in other International (rest of the world) markets.

Cipla completed a comprehensive 'Jaagruti' transformation programme aimed at increasing efficiency across all teams resulting in reduced timelines, development costs and more timely regulatory approvals. The process improvements in analytics, regulatory, procurement and project management continue to drive improved turnaround time and throughput levels.

The Company has expanded applications across multiple technology platforms including implants, microspheres, ready-to-use injections, cochleates, nanotechnology, preservative-free ophthalmics, nasal sprays, foams, and spray patches among others.

Cipla received tentative approval from US FDA for the world's first

pediatric lopinavir and ritonavir oral pellets for the treatment of AIDS in infants and young children. Cipla has long recognized the lack of access to life-saving child-friendly formulations for the treatment of HIV, which prompted the Company to develop an innovative formulation of lopinavir and ritonavir oral pellets. The pellets are produced by melt-extrusion technology and are enclosed in capsules. The pellets have to be sprinkled on sweetened porridge for infants and administered to them.

Cipla has made large strides in FY 2014-15 towards forging partnerships with global generic and innovator firms to fast track development of critical molecules in the areas of oncology, ARVs and respiratory, and has taken steps towards being a thought partner to key regulators on the policy and development fronts.

Cipla has forged linkages with novel technology firms. It has also established and strengthened in-house techno-commercial capabilities to identify and capture 505(b)(2) & biosimilar opportunities.

On the organizational capability front, IPD strengthened its team in FY 2014-15 in areas of quality by design, new drug delivery systems, device design and manufacturing. IPD also strengthened existing functions operationally to deliver superior value to Cipla in line with the Company's future aspirations.

Directors' Report *contd.*

MANUFACTURING

Taking it to the next level

Cipla launched the second wave of the 'Jaagruti' transformation programme aimed at reducing business complexity and strengthening operations. Under this initiative the manufacturing divisions freed up valuable resources using strategies of network optimisation, energy efficiency, better management of human resources, and a review of capital and operational expenses.

Cipla's operations in Cipla QCIL, Uganda were also covered in the second phase of 'Jaagruti'.

During the year under review, the Company commissioned additional API manufacturing capacity of 60 MT/year at Kurkumbh. The Company scaled up 20 key APIs and undertook cycle time reduction and cost improvement projects.

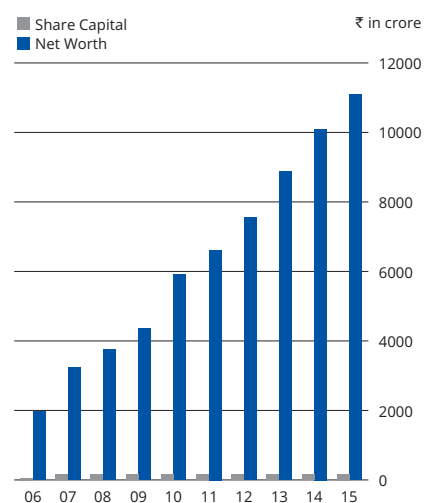
Serviceability of formulation products was significantly improved by formula harmonisation, batch size scale-ups and unit balancing.

The Company is continuously upgrading all the manufacturing facilities in terms of technology, automation, safety, environment and systems as well as procedures for energy and water conservation.

Regulatory Approvals

Several dosage forms and APIs manufactured at the Company's facilities continue to enjoy the approval of major international regulatory agencies. These agencies include the US FDA, MHRA (UK), PIC (Germany), MCC (South Africa), TGA (Australia), APVMA (Australia), the Department of Health (Canada), ANVISA (Brazil), the Danish Medical Agency, and the WHO.

Growth in Shareholders' Funds (Standalone)



Directors' Report *contd.*

Threats, Risks, Concerns

The pharmaceutical industry has always been under intense scrutiny by various regulatory authorities, both Indian and international. This trend continues resulting in regulatory standards being upgraded all the time. An overview of the status of the industry is referred to in the Chairman's letter at the beginning of this report. The Company continues to track all these changes, increase vigilance, and strives to maintain the highest quality standards.

It is close to two years since the new pricing regulation was enacted in the Indian market. Over the last one year, the Company took various steps to mitigate the initial impact of the decline in prices. Since the pricing regulatory authorities are reviewing the existing pricing mechanism and are considering expanding the scope, the threat of future decline in price remains.

Cipla has some pending legal cases related to alleged overcharging in respect of certain drugs under the Drugs (Prices Control) Order, 1995. The aggregate amount of the demand notices received is about ₹1,768.51 crore (inclusive of interest). The Company has been legally advised that based on several High Court decisions and considering the totality of facts and circumstances that these demand notices may not be enforceable. However, any unfavourable outcome in these proceedings could have an adverse impact on the Company.

Cipla operates in a number of markets where geo-political risks exist. No significant or material orders have been passed by the Regulators or Courts or Tribunals which may impact the going concern status of the Company and its future operations.

Health, Safety & Environment (HSE)

HSE measures remain a priority for Cipla. During the year under review, no major hazardous accident at the workplace was recorded. The Company continues to upgrade HSE standards at all locations. ISO 50001 implementation is being taken horizontally across all our locations, to benchmark energy conservation threshold levels for a greener environment.

Cipla's manufacturing facilities including Goa, Bengaluru, Baddi, Indore, Kurkumbh, Patalganga and Sikkim, are certified for ISO 14001 and OHSAS 18001 standards. The Company continues to upgrade HSE standards at all locations. Specialized safety training programs such as process safety, road safety, and behavioral safety are regularly imparted to increase safety awareness at all working levels. Safety Week and Electrical Safety Day are celebrated and Fire Service Day is observed at the manufacturing units to create awareness among employees. Learning visits across different industrial sectors are conducted with a view to strengthen the HSE knowledge base and implement best HSE practices. Hazards and risks associated with site activities are identified across all manufacturing locations and risk control and mitigation measures are continuously implemented. Online systems are in place to monitor applicable legal compliance.

The Company's various locations have received HSE awards including Best Environment, Health and Safety Practices, Paryavaran Gaurav, and 5S Excellence.

Villagers and school children living around the Company's units across India also participate in HSE programs. Fire safety and

road safety training is conducted in schools. A well-equipped ambulance service has been made available to nearby villages for use in emergency situations. Medical camps for polio immunization, asthma, blood donation, and dental health are conducted in the surrounding villages. World Environment Day and Earth Day are celebrated by conducting a green drive program of mass tree plantation. The Company continues to maintain modern, well-equipped effluent treatment plants and effluent testing systems at its manufacturing facilities. Treated water from these zero-discharge facilities is recycled for utility purpose.

Internal Control Systems

The Company's internal control procedures are adequate to ensure compliance with various policies, practices and statutes in keeping with the organisation's pace of growth and increasing complexity of operations. Cipla's internal audit team supplemented by various internal auditors carries out extensive audits throughout the year across all functional areas, and submits its reports to the Audit Committee of the Board of Directors. During the year under review, no fraud was reported by the auditors to the Audit Committee/Board of Directors.

Corporate Social Responsibility (CSR)

The Board of Directors at its meeting held on 14th August 2014 approved the Corporate Social Responsibility (CSR) Policy as required under Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, on the recommendations of the CSR Committee. The CSR policy is available on the Company's website

Directors' Report *contd.*

at http://www.cipla.com/CiplaSite/Media/PDF/Corporate_Social_Responsibility_Policy.pdf.

The Annual Report on CSR initiatives as required under Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time forms part of this Report as Annexure I.

Business Responsibility Report

As mandated by the Securities and Exchange Board of India (SEBI), a standalone Business Responsibility Report (BRR) forms part of the Annual Report and is available on the Company's website at www.cipla.com. The BRR contains a detailed report on Business Responsibilities vis-à-vis the nine principles of the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business framed by the Union Ministry of Corporate Affairs. Any shareholder interested in obtaining a copy may write to the Company Secretary at the Registered Office of the Company.

CORPORATE MATTERS

Directors' Responsibility Statement

Pursuant to Section 134(3)(c) of the Companies Act, 2013 it is confirmed that the Directors have:

- i. followed applicable accounting standards in the preparation of the annual accounts and there are no material departures for the same;
- ii. selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31st March 2015 and of the profit of the Company for that period;
- iii. taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 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.

Corporate Governance

The Company is committed to good corporate governance practices. The report on corporate governance as stipulated under Clause 49 of the Listing Agreement forms part of this report.





Directors' Report *contd.*

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

As required under section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014, the relevant information and data are annexed to this report as Annexure II.

Disclosure under The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has in place a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at workplace in line with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. The policy has set guidelines on the redressal and enquiry process that is to be followed by complainants and the ICC, whilst dealing with issues related to sexual harassment at the workplace towards any employees. All employees (permanent, temporary, contractual and trainees) are covered under this policy. All employees are treated with dignity with a view to maintain a work environment free of sexual harassment whether physical, verbal or psychological. A total of 17 cases were reported under the Prevention of Sexual Harassment Policy during financial year 2014-15, out of which 3 cases were under investigation at the end of financial year. Subsequently, all the cases were satisfactorily addressed and appropriate action was taken.

Employee Stock Option Scheme

As required under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, the applicable disclosures as on 31st March 2015 are annexed to this report as Annexure III.

There is no material change in the Employee Stock Option Schemes during the financial year under review and the Employee Stock Option Schemes are in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

Human Resources

The Human Resources function contributes to Cipla's growth story by working as a strategic partner to the business. The technical and quality demands of pharma combined with our own vision to grow significantly over the next few years are driving the need for us to build an agile, engaged, and energized work force. While doing this, your Company continues to retain focus on Cipla values and its core philosophy of placing people before profits.

Our core objective has been to build organizational capability through skill enhancement across levels, sales force training and enhancing competencies in line with changing business needs. There has also been a focus on strengthening existing, middle and senior leadership.

The Company has institutionalized a robust performance management process; individual goals and key performance indicators have been aligned to organizational goals and imperatives.

In making "Caring for Life" translate to "Caring for employees", various employee centric interventions like people friendly policies

and work-life balance have been launched. While serving global customers, employing people across the globe is an equally important aspect of our vision thereby building a truly global company. Employees are motivated through various skill-development, engagement and voluntary programs. We also ensure that employees are aligned with our organizational culture and values whilst never losing sight of our business objectives.

Details of 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 is annexed as Annexure IV.

Particulars of employee remuneration as required under Section 197 (12) of the Companies Act, 2013 read with Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this Report. Having regard to the provisions of the first proviso to Section 136(1) of the Companies Act 2013, the Annual Report excluding the said information is being sent to the members of the Company. The said information is available for inspection at the registered office of the Company during working hours and any member interested in obtaining such information may write to the Company Secretary at the registered office of the Company. The said information is also available on the Company's website www.cipla.com.

Directors' Report *contd.*

Particulars of loans, guarantees or investments

Particulars of loans, guarantees and investments under Section 186 of the Companies Act, 2013 are provided in Notes 39 and 13 to the financial statements.

Extract of Annual Return

Extract of Annual Return in the prescribed format under the Companies Act, 2013 forms part of this Report as Annexure V.

Secretarial Audit Report

The Board had appointed M/s. BNP & Associates as the secretarial auditor for the financial year 2014-15. The secretarial audit report for the financial year ended 31st March 2015 is annexed to this report as Annexure VI. The report does not contain any qualification, reservation or adverse remark.

Vigil Mechanism

The Company believes in upholding professional integrity and ethical behavior in the conduct of its business. To uphold and promote these standards, the Company has formulated a Vigil Policy which serves as a mechanism for its directors and employees to report genuine concerns about unethical behavior, actual or suspected fraud or violation of the Code of Conduct without fear of reprisal. The details of Vigil Policy is available on the Company's website at http://www.cipla.com/CiplaSite/Media/PDF/code_of_conduct/Vigil_Policy.pdf.

Contract and Arrangements with Related Parties

All contracts / arrangements / transactions entered by the Company with related parties during the financial year 2014-15 were in the ordinary course of

business and on an arm's length basis. No material related party transactions were entered into by the Company during the year under review.

The policy on materiality of and dealing with related party transactions is available on the Company's website at http://www.cipla.com/CiplaSite/Media/PDF/Policy/Policy_on_Related_Party_Transactions.pdf.

Internal Financial Controls

The Company has in place adequate policies and procedures for ensuring the orderly and efficient conduct of its 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 disclosures.

Risk Management

As required under Clause 49 of the Listing Agreement, the Company has constituted a Risk Management Committee comprising of executive directors under the Chairmanship of Mr. Subhanu Saxena. There are no risks which in the opinion of the Board threaten the existence of your Company. However, some of the risks which may pose challenges are set out in the Management Discussion and Analysis which forms part of this Report.

Deposits

During the financial year 2014-15, your Company has not accepted any deposit within the meaning of Sections 73 and 74 of the Companies Act, 2013 read together with the Companies (Acceptance of Deposits) Rules, 2014.

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an annual performance evaluation of its own performance, the directors individually and that of its Committees. The manner in which the evaluation has been carried out is stated in the Corporate Governance Report.

Subsidiaries, Associates and Joint Ventures

The Company had 62 subsidiaries/step-down subsidiaries, Associates and Joint Ventures as on 31st March 2015. The consolidated financial statements presented in this annual report include financial results of the subsidiary companies.

The names of companies which have become or ceased to be Company's subsidiaries or associates or joint ventures during the year under review is attached as Annexure VII.

The policy for determining material subsidiaries is put up on the website at http://www.cipla.com/CiplaSite/Media/PDF/Policy/Policy_on_Material_Subsiadiary.pdf.

A report on the performance and financial position of each of the subsidiaries, associates and joint venture forms part of Consolidated Financial Statement.

The financial statement of the Company including consolidated financial statements, financial statements of subsidiary companies are available on Company's website www.cipla.com. These documents will also be available for inspection by any member at the Registered Office of the Company during business hours. The copy of the said financial statements will be made available to any member of the Company seeking such information.

Directors' Report *contd.*

Directors and Key Managerial Personnel

Mr. Pankaj Patel resigned from the Board of Directors effective 3rd September 2014 due to his increasing professional commitments. Dr. H. R. Manchanda resigned from the Board of Directors effective 13th November 2014 due to his advancing age. Mr. V. C. Kotwal resigned from the Board of Directors effective 13th November 2014 due to his commitments. The Directors place on record their appreciation of the contributions made by them as members of the Board.

During the year under review, the members approved the appointments of Mr. Ashok Sinha, Dr. Peter Mugenyi and Mr. Adil Zainulbhai as Independent Directors who are not liable to retire by rotation.

The members through Postal Ballot approved appointment of Ms. Punita Lal and Dr. Nachiket Mor appointed as Independent Directors effective 13th November 2014 who are not liable to retire by rotation.

The following officers have been designated as the Key Managerial Personnel of the Company pursuant to section 203(1) of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

- Mr. Subhanu Saxena – Managing Director and Global Chief Executive Officer
- Mr. Rajesh Garg – Executive Director and Global Chief Financial Officer
- Mr. Mital Sanghvi – Company Secretary

During the year under review, there was no change in the Key Managerial Personnel of your Company.

Mr. Rajesh Garg demitted office as a Director, Whole-time Director and Chief Financial Officer with effect from close of business hours on 12th June 2015.

Ms. Samina Vaziralli has been appointed as an Additional Director with effect from 10th July 2015 and holds office up to the date of the ensuing Annual General Meeting. She has been appointed as Whole-time Director designated as “Executive Director” for a period of five years with effect from 10th July 2015 subject to the approval of the members at the ensuing Annual General Meeting.

Mr. Subhanu Saxena retires by rotation and, being eligible, offer himself for re-appointment.

A brief resume of the Directors seeking appointment/re-appointment is provided in the Notice.

All Independent Directors of the Company have given declarations that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

The details of familiarisation programme for Independent Directors are put up on the website at http://www.cipla.com/CiplaSite/Media/PDF/Policy/Familiarisation_programme_for_Independent_Directors.pdf.

The Nomination and Remuneration Committee have also formulated criteria for determining qualifications, positive attributes and independence of a director. The said criteria is attached as Annexure VIII.

The Board of Directors approved the Remuneration Policy on the recommendation of the Nomination and Remuneration Committee. The salient aspects of Remuneration Policy have been outlined in the Report on Corporate Governance.

Neither the Managing Director nor the Whole-time Directors received any remuneration or commission from any of the Company's subsidiaries.

Number of meetings of the Board

During the year under review, 8 Board Meetings were held. The details of the Board Meetings are stated in the Report on Corporate Governance.

Composition of Audit Committee

The details pertaining to composition of Audit Committee are included in the Report on Corporate Governance.

Cost Auditor

Pursuant to the provisions of Section 148 of the Companies Act, 2013, Mr. D.H. Zaveri, a practising Cost Accountant (Fellow Membership No. 8971) has been appointed to conduct the audit of cost records of pharmaceutical products for the financial year ended 31st March 2015. The due date for filing Cost Audit Report for the year ended 31st March 2014 was 27th September 2014 and the same was filed on 27th September 2014.

Auditors

Messrs V. Sankar Aiyar & Co. and Messrs R.G.N. Price & Co., joint statutory auditors of the company, retire at the conclusion of the forthcoming Annual General Meeting and are eligible for re-appointment.

The Auditors' Report does not contain any qualification, reservation or adverse remark.

On behalf of the Board

Y. K. Hamied
Chairman

9th July 2015

Annexure to the Directors' Report

Annexure I

Annual Report on CSR Initiatives

(Particulars required as per Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time)

I. Overview of Corporate Social Responsibility

a) Philosophy and Policy

Since its inception in 1935, 'Caring for Life' has been at the forefront of the business philosophy of Cipla Limited ('Cipla' or 'the Company') and remains an important driver for doing business. This philosophy is seamlessly integrated into Cipla's people, products and processes. The CSR strategy of the organization is incorporated into and is an intrinsic part of its business strategy. The initiatives taken by the Company as a part of its various CSR programmes, effectively contribute to developing a sustainable and resilient community.

CSR at Cipla is driven by a 'principled approach'. The principled approach emanates as a working philosophy of the organization to conduct and govern itself in an ethical, transparent

and accountable manner. Business understands its responsibility towards all stakeholders in society, especially those who are disadvantaged, vulnerable and marginalized. The Company supports and creates projects around themes, with a focus on inclusive growth and equitable development.

Keeping in mind other international CSR initiatives, the Social Charter of the Government of India, and the Companies (Corporate Social Responsibility Policy) Rules, 2014, Cipla has always worked towards enhancing access and allocation of resources to the disadvantaged and marginalized groups of society. Cipla has identified the following themes to make a difference and effectively contribute to the society.

- Health and sanitation;
- Education;

- Environment sustainability;
- Rural development and creation of livelihood opportunities; and
- Others including addressing social inequalities.

The CSR Policy of Cipla has been framed and made applicable in accordance with Section 135 of the Companies Act 2013 ("Act") read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 ("CSR Rules") as amended from time to time. The Policy shall apply to the CSR Committee and all CSR projects/programmes undertaken by the Company in accordance with Schedule VII of the Act.

With CSR themes clearly outlined and entrusted, Cipla works towards achieving these themes through the implementation of long term projects. These projects



Annexure to the Directors' Report *contd.*

are identified across various operational units of the Company, based on the needs of society, and the philosophy of maximizing impact. Drivers of these various programs (which fall within the broad themes outlined above) include:

- Enhanced access to healthcare;
- Increased affordability of healthcare;
- Better infrastructure and improvement of healthcare facilities;
- Creating awareness regarding healthcare;
- Promoting education;
- Enhanced infrastructure and facility improvement of schools;
- Training on vocational skills;
- Environment sustainability; and
- Community development.

b) Activities Undertaken

The Company has developed an appropriate organizational structure, and positioned senior level/functional representatives to drive CSR effectively.

Through focused interventions, the Company governs the functioning and implementation of its CSR policy. The CSR projects are initiated through:

- Cipla Cancer & AIDS Foundation (CCAF)
- Cipla Foundation; and
- NGO Partners

CCAF runs the Cipla Palliative Care and Training Centre in Pune, which was established in 1997. It continues to provide holistic care to terminally ill cancer patients and their families free of cost.

Through Cipla Foundation the Company has built primary partnerships with more than 14 NGO's, as implementing partners (engaged in various social initiatives including education and healthcare).

Cipla has been implementing social and community development projects for underprivileged communities around its plant locations in six States of India – Maharashtra, Sikkim, Himachal Pradesh, Madhya Pradesh, Goa and Karnataka. A large population of disadvantaged communities is being served directly or indirectly through Cipla's community outreach programs.

c) Governance and Monitoring Process

Cipla ensures a robust structure is in place for effective

implementation of CSR activities and projects. The implementation of CSR activities is undertaken under the guidance and direction of the Board of Directors.

The Board has empowered the CSR Committee, to closely monitor and report on the progress of CSR work.

CSR is a priority for the Company and processes exist to ensure that the relevant team is appropriately empowered.

Cipla believes in adopting a comprehensive approach towards creating, utilizing and monitoring of CSR budgets. The commitment is laid out in the beginning of the year, and CSR budget allocations are focused towards areas of interventions, which are classified under long term, short term and other projects each of which tie in with the CSR themes embraced by the Company.

The CSR Policy of the Company including the CSR activities undertaken by it is available at: http://www.cipla.com/CiplaSite/Media/PDF/Corporate_Social_Responsibility_Policy.pdf



Annexure to the Directors' Report *contd.*

II. Composition of CSR Committee

The Composition of the CSR Committee as on the date of the Director's Report is as follows:

Name	Category
Mr. M. K. Hamied (Chairman of the Committee)	Non-Executive Vice-Chairman
Mr. Adil Zainulbhai	Independent Director
Dr. Nachiket Mor	Independent Director
Ms. Punita Lal	Independent Director
Mr. S. Radhakrishnan	Whole-time Director
Mr. Subhanu Saxena	Managing Director and Global Chief Executive Officer

The composition of the CSR Committee is compliant with the Act and the CSR Rules.

III. Average Net Profit of the Company for last three financial years (Average Net Profit calculated in accordance with the provisions of Section 198 of the Companies Act, 2013)

₹1743.21 crore

IV. Prescribed CSR Expenditure (two percent of the amount as in item III above)

₹34.86 crore

V. Details of CSR spent during the financial year 2014-15

- Total amount to be spent for the financial year: ₹34.86 crore
- Amount unspent, if any: ₹21.43 crore
- Manner in which the amount spent during the financial year is detailed below:

₹ in crore

Sr. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or Programs (1) Local area or other (2) State and district	Total Amount outlay	Amount spent in 2014-15 on the projects or programs Sub heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto the reporting period 2014-15	Amount spent: (1) Direct or (2) through implementing agency (see note * below)
1	Cipla Palliative Care and Training Centre	Health	(1) Warje, Pune (2) Maharashtra	5.728	(1) 3.245 (2) 0.162	5.728	3.407 Cipla Cancer and AIDS Foundation
2	Promoting Healthcare including Preventive Healthcare	Health	(1) Kurkumbh, Patalganga, Vellore, Vikhroli, Indore, Pune, Bengaluru, East Sikkim (2) Madhya Pradesh, Karnataka, Maharashtra, Sikkim	1.504	(1) 0.973 (2) 0.049	1.393	1.022 Cipla Foundation
3	Netradeep	Health	(1) North & South Goa, Bengaluru (2) Goa, Karnataka	0.466	(1) 0.273 (2) 0.014	0.287	0.287 Cipla Foundation

Annexure to the Directors' Report *contd.*

Sr. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or Programs (1) Local area or other (2) State and district	Total Amount outlay	Amount spent in 2014-15 on the projects or programs Sub heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto the reporting period 2014-15	Amount spent: (1) Direct or (2) through implementing agency (see note * below)
4	Healthcare services to schools	Health	(1) Vikhroli, Sangeum, Chinchinim, Doddabanhalli Village, Kurkumbh, Pandharewadi, Girim, Cortalim, Navelim (2) Maharashtra, Goa, Karnataka	0.126	(1) 0.061 (2) 0.003	0.070	0.064 Cipla Foundation
5	Healthcare services to community	Health	(1) Kurkumbh, Patalganga, Bannerghatta, Bhandup, Ghatkopar, Mumbai, Girim, Pandharewadi, East Sikkim (2) Maharashtra, Karnataka, Sikkim	0.374	(1) 0.321 (2) 0.016	0.347	0.337 Cipla Foundation
6	Mobile Healthcare Services	Health	(1) Baddi, Pithampur, Patalganga (2) Himachal Pradesh, Madhya Pradesh, Maharashtra	2.011	(1) 0.587 (2) 0.029	0.616	0.616 Cipla Foundation
7	Nutrition education and Health Action	Health	(1) Mumbai (2) Maharashtra	0.685	(1) 0.175 (2) 0.009	0.685	0.184 Cipla Foundation
8	Residential care and rehabilitation services	Health	(1) Mumbai (2) Maharashtra	0.520	(1) 0.140 (2) 0.007	0.520	0.147 Cipla Foundation
9	Developmental Disabilities	Health	(1) Kolkata, Mumbai (2) West Bengal, Maharashtra	0.396	(1) 0.332 (2) 0.017	0.349	0.349 Cipla Foundation
10	Others (Health)	Health	(1) Agassaim, Verna, Sancoale, Pithampur, Verna (2) Goa, Madhya Pradesh	0.038	(1) 0.015 (2) 0.001	0.025	0.016 Cipla Foundation
11	Construction of Sanitation Blocks	Sanitation	(1) Sanguem, Doddabanhalli Village, Cortalim, Girim, Navelim, Vikhroli, Kaire, Vaveghar, Sudkoli, Gulsunde, Shirki, Mohopada, Vavarle. (2) Goa, Karnataka, Maharashtra,	2.501	(1) 1.296 (2) 0.065	1.843	1.361 Cipla Foundation

Annexure to the Directors' Report *contd.*

Sr. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or Programs (1) Local area or other (2) State and district	Total Amount outlay	Amount spent in 2014-15 on the projects or programs Sub heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto the reporting period 2014-15	Amount spent: (1) Direct or (2) through implementing agency (see note * below)
12	Infrastructural Support to Schools	Education	(1) Patalganga, Vikhroli, Baddi, Kurkumbh, Girim, Daund, Mukadam Wadi, Jiregaon, Roti, Bhagwativasti, Betma, Velha, Arjun nagar, Dhadwali, Kokanevasti (2) Maharashtra, Madhya Pradesh, Himachal Pradesh, Goa	4.436	(1) 2.417 (2) 0.121	4.013	2.538 Cipla Foundation
13	Meritorious Awards	Education	(1) Patalganga, Bhandup, Vikhroli & Ghatkopar, North & South Goa, East & South Sikkim, Baddi, Kurkumbh (2) Maharashtra, Goa, Sikkim, Himachal Pradesh, Madhya Pradesh	0.438	(1) 0.138 (2) 0.007	0.375	0.145 Cipla Foundation
14	Hole in the Wall	Education	(1) Baddi, East Sikkim, Sindhipura, Kurkumbh (2) Himachal Pradesh, Sikkim, Madhya Pradesh, Maharashtra	0.824	(1) 0.564 (2) 0.028	0.773	0.592 Cipla Foundation
15	Sponsorship to Students	Education	(1) Baddi (2) Himachal Pradesh	0.391	(1) 0.227 (2) 0.011	0.238	0.238 Cipla Foundation
16	E - Learning/ Reading Initiative	Education	(1) Patalganga, Sancoale, Nagoa, Zuarinagar (2) Maharashtra, Goa	0.639	(1) 0.259 (2) 0.013	0.581	0.272 Cipla Foundation
17	Bal Vatika	Education	(1) Baddi (2) Himachal Pradesh	0.194	(1) 0.185 (2) 0.009	0.194	0.194 Cipla Foundation
18	Education of underprivileged children from troubled backgrounds	Education	(1) Mumbai (2) Maharashtra	0.201	(1) 0.135 (2) 0.007	0.201	0.142 Cipla Foundation
19	Jidnyasa workshop	Education	(1) Patalganga (2) Maharashtra	0.207	(1) 0.062 (2) 0.003	0.169	0.065 Cipla Foundation
20	Purna Shiksha project	Education	(1) Mumbai (2) Maharashtra	0.256	(1) 0.125 (2) 0.006	0.131	0.131 Cipla Foundation

Annexure to the Directors' Report *contd.*

Sr. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or Programs (1) Local area or other (2) State and district	Total Amount outlay	Amount spent in 2014-15 on the projects or programs Sub heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto the reporting period 2014-15	Amount spent: (1) Direct or (2) through implementing agency (see note * below)
21	Others (Education)	Education	(1) Vikhroli, Patalganga, Kolkata, Pandharewadi, Girim, Pithampur, (2) Maharashtra, West Bengal, Madhya Pradesh	0.544	(1) 0.427 (2) 0.021	0.490	0.448 Cipla Limited Cipla Foundation
22	Environmental sustainability, ecological balance and conservation of natural resources	Environment	(1) Margao, Patalganga, Pandharewadi, Girim, Mumbai, Assolna, Velim, Chinchinim, Verna, Rawanfond (2) Goa, Maharashtra	1.168	(1) 0.434 (2) 0.022	0.677	0.456 Cipla Foundation
23	Capacity Building initiatives enhancing Livelihood	Capacity Building	(1) Kurkumbh, Pandharewadi, Girim (2) Maharashtra	0.085	(1) 0.045 (2) 0.002	0.047	0.047 Cipla Foundation
24	Setting up old age and community hall for socially and economically backward groups	Community Development	(1) Bogmalo, Bandenallasandra, Hennur Cross (2) Goa, Karnataka	0.412	(1) 0.277 (2) 0.014	0.320	0.291 Cipla Foundation
25	Livelihood enhancement projects	Livelihood	(1) Vikhroli, Patalganga (2) Maharashtra	0.033	(1) 0.027 (2) 0.001	0.033	0.028 Cipla Foundation
26	Women Empowerment, Girl Protection and Education	Women Empowerment	(1) Bengaluru (2) Karnataka	0.128	(1) 0.050 (2) 0.003	0.128	0.053 Cipla Foundation
Total				24.305	13.430	20.232	13.430

* Cipla Foundation has worked with the following NGOs for specific activities within the projects mentioned above:

1) Vanarai Foundation, Pune (Maharashtra), 2) Stree Mukti Sanghatana, Mumbai (Maharashtra), 3) HelpAge India, New Delhi (Delhi), 4) SNEHA, Mumbai (Maharashtra), 5) Manavya, Pune (Maharashtra), 6) Ummeed Child Development Center, Mumbai (Maharashtra), 7) Mumbai Smiles, Mumbai (Maharashtra), 8) NIIT Foundation, New Delhi (Delhi), 9) Himalayan Social Institute, Solan (Himachal Pradesh), 10) Ra Foundation, Mumbai (Maharashtra), 11) STEMI INDIA Charitable Trust, Coimbatore (Tamil Nadu), 12) Oleander Charitable Trust, Mannagudi (Tamil Nadu), 13) Sai Bhajan Trust, Mumbai (Maharashtra), 14) CONSERVATION WILDLANDS TRUST, Mumbai (Maharashtra), 15) green essentials, Goa, 16) The Vatsalya Foundation, Mumbai (Maharashtra), 17) CREST, Pune (Maharashtra), 18) Asian Society of Continuing Medical Education, Mumbai, (Maharashtra) 19) NATIONAL ORGANIC SYMPOSIUM TRUST, Chennai (Tamil Nadu) 20) Indian Institute of Cerebral Palsy, Kolkata (West Bengal)

Annexure to the Directors' Report *contd.*

Cipla's Key CSR Initiatives

The focused engagement areas have been towards healthcare and sanitation, education and environment sustainability. Programmes have been implemented directly or in partnership with NGO's. These interventions have impacted communities, in and around our plant locations, across India. Below is a summary of the key work done under the primary themes adopted by the Company.

Healthcare

One of Cipla's key CSR missions is positive health for all. The Company follows a pro-active, preventive and promotive approach that involves communities as a whole. The focus remains, on promoting awareness and self-sufficiency, through community involvement, dissemination of information, health education and medical assistance. Cipla provides financial assistance to support healthcare to needy patients from underprivileged and economically challenged sections of society.

Cipla Palliative Care and Training Centre

CCAF has been running the Palliative Care and Training Centre in Warje, Pune, since 1997, to provide tender and loving care, free of cost, to terminally ill cancer patients. It adopts a personalized and holistic approach to improve lives of patients and their families. It comprises 50 beds in 4 wards, and intends to scale up to a 100 beds setup. It also provides home based care, with a dedicated team, which covers a 40 Km radius. Going forward, home based care, training, advocacy and doctors' engagement will be further strengthened. The Cipla Palliative Care and Training Centre has, so far touched more than 10,000 lives.

Nutritive health and education

SNEHA (Society for Nutrition, Education and Health Action) runs doorstep programs in the most vulnerable slums of Mumbai (including Dharavi, Govandi,

Mankhurd, and Kurla) to improve child health and nutrition. Cipla Foundation's contribution has enabled SNEHA to deliver essential medicines to over 10,000 children suffering from illnesses such as respiratory tract infections, bronchitis, bronchial asthma, acute gastroenteritis and fungal infections, among others.

Developmental Disabilities

Cipla has partnered with Ummeed, a Mumbai based NGO to provide early interventions to promote child development in the short term and, improve employability and educational outcomes in the long term, enhancing human capital. Cipla's support has made therapy accessible to children from economically weaker backgrounds, leading to a total of 579 sessions.

Cipla also supports the Indian Institute of Cerebral Palsy, which has been providing specialized and comprehensive services to cerebral palsy patients (children and adults). The aim is to help individuals get equal rights and opportunities and foster an inclusive society, where all are treated with the respect they rightly deserve.

Sanitation

Safe sanitation is the foundation of good health. The Company has initiated projects in locations around Patalganga, Goa, Bengaluru, Kurkumbh and Vikhroli to provide assistance in building and renovating sanitation blocks. This has benefited communities greatly and created awareness about hygiene and sanitation.

Education

Cipla has embarked on a journey to impart primary education to the under privileged, with the vision to improve access to and quality of education. The following major initiatives were taken in this field:

Bal Vatika and Bal Shiksha

Abhiyan - Cipla has partnered with credible NGO's in Vikhroli (Maharashtra) and Baddi (Himachal Pradesh), to provide pre-primary education to slum children.

In Vikhroli, with **Mumbai Smiles**, we have set up two Balwadis, near our establishment. The intent, besides education, is on promoting health awareness and nutrition, through the involvement of parents.

In Baddi, with the **Himalayan Social Institute**, we have implemented Balvatika in three slums to provide pre-school education to 90 children in the age group of 3-6 years, and linkages of children in the age group of 6-14 years with government schools.

Jidnyasa - Life skills for personal growth and excellence - Cipla, with the support of Stree Mukti Sanghatana, has conducted training programmes for teenage sensitization. It is the need of the hour, educating teenage students on Adolescence, Stress management, Career guidance, De-addiction information, Value Education and Family Life Education. Training sessions are ongoing, and till date we have completed 806 sessions in 16 different schools in and around Pen, Panvel, Karjat, Khalapur and Patalganga in Maharashtra, covering about 8500 students.

Annexure to the Directors' Report *contd.*

Hole-in the wall – E learning - Cipla has joined hands with NIIT foundation to achieve the common goal of improved outcomes of elementary education. Hole-in-the-wall learning stations make computer education accessible to government school students, spreading computer literacy, and improving the quality of education at the grass root levels. The project has been making a remarkable effort to bridge the digital divide and encourage school going children, by providing a delightful learning environment in schools, in the underserved areas of Baddi, Kurkumbh, and Indore.

Student Excellence Awards

Another notable activity, under the area of education was the sponsorship of more than 450 meritorious students, during the financial year 2014-15, from +50 schools in the vicinity of our units in Baddi, Goa, Indore, Vikhroli, Patalganga, Sikkim and Kurkumbh.

Environment

Cipla, in its modest efforts to ensure ecological balance, conservation of natural resources and protection of the environment, has conceived different projects at Kurkumbh, Patalganga and Goa. These encompass water conservation activities, horticulture, vermi compost and compost pit, animal husbandry, watershed development, solar and rain water harvesting in various schools. Other initiatives include Environment Day celebration, organic gardening workshops at Verna and Rawanfand in Goa.

VI. Cipla, has been spending on CSR, on its focused themes and programs and various public service health initiatives for many years, demonstrated by the lives being touched, as an outreach of these initiatives. While such direction and guidance has been driven by the principled approach, under which Cipla spends, the quantum of such spend has not been the determining factor in the past. The prima facie driving force was the philosophy, and the benefit it would give to the society in the long run.

The Company has devoted time in the current year in structuring its CSR projects, and enhanced governance, in line with Schedule VII of the Act, the CSR Rules and, has laid the foundation for the CSR initiatives in the coming years. The Company stands committed to its CSR projects and public service health initiatives. While in the current year, it has not met the recommended spend of two percent of average net profits, for the last three financial years, the Company has identified several new projects which are in different phases of implementation with an ongoing life-cycle. The outgoing will considerably increase in the coming years, as it already has substantially since the previous year, with an increase of over 25% in the fund allocation for FY 15 over FY 14. The Company has taken steps in the right direction and going forward the thrust will continue to be to increase the Company's CSR spend on the basis of merit of the CSR projects and to strategically incorporate several of its ongoing public service health initiatives into its CSR framework.

In addition to its CSR work, as illustrated in this report, Cipla will continue to work towards its mission of "None shall be denied", by making affordable healthcare available.

VII. Pursuant to the Companies (Corporate Social Responsibility Policy) Rules 2014 it is confirmed that the CSR Committee has implemented and monitored the CSR initiatives of Cipla in line with the CSR Objectives and Policy of the Company. The CSR Committee has prepared a CSR plan, apprised the Board of the same and monitored the status reports of the projects/ programs submitted to them on a periodic basis.

Subhanu Saxena
Managing Director and
Global Chief Executive Officer

M. K. Hamied
Chairman - CSR Committee

9th July 2015

Annexure to the Directors' Report *contd.*

Annexure II

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo.

The information 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 2015 is given here below and forms part of the Directors' Report.

A. Conservation of Energy

I. The steps taken or impact on conservation of energy

- a. 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. Installation of new energy efficient air compressors in Kurkumbh & Patalganga plants.
 - ii. Installation of new energy efficient chillers in Kurkumbh, Patalganga & Bengaluru plants.
 - iii. Installation of LED lights in all Goa, Baddi, Kurkumbh, Indore, Patalganga and Bengaluru plants.
 - iv. Installation of new dehumidifiers in Goa Plant.
 - v. Installation of new energy efficient pumps & motors for various types of utilities in Kurkumbh, Goa, Patalganga, Indore & Sikkim Plants.
 - vi. Installation of heat recovery unit on air compressor for extraction of compression heat in Indore Plant.
 - vii. Implementation of natural way of sewage water treatment scheme '**Phyto Reed System**' at Indore location, which is treating

the sewage water without any means of equipment and chemicals.

- viii. Installation of Solar systems for hand and dish wash applications and other regular usage in Goa and Patalganga plant.
- ix. Installation of Plate Heat Exchanger (PHE) based Hot Water System (HWS) in Kurkumbh plant.
- x. Installation of online tube cleaning system for water plants in Kurkumbh and Patalganga plants.
- xi. Installation of energy efficient blowers in ETP facility of Kurkumbh plant.
- xii. Change in air handling unit's warm water coil designs in Patalganga Plant.
- xiii. Installation of IPS control panel with logic control unit for HVAC variable speed Pump in Patalganga plant.
- xiv. Installation of online auto clean filter system for water plants in Patalganga unit.
- xv. Installation of energy savers in Patalganga plant.
- xvi. Installation of energy efficient cooling tower, new VFD Panels, plate heat exchanger for packing machines & replacement of conventional lights with induction lamps, in Kurkumbh, Goa, Patalganga, Baddi and Bengaluru plants.

- b. Impact of the above measures for reduction of energy consumption and consequent impact on the cost of production of goods:

- I. The adoption of the above energy conservation measures have helped to curtail the proportionate increase in total energy usage consequent to overall increase in production. This has made it possible to maintain cost of production at optimum levels.

II. The steps taken by the company for utilising alternate sources of energy:

No alternate source used during the financial year 2014-15.

- III. **The capital investment on the energy conservation equipment:** The Capital investment on energy conservation equipment is ₹8.19 crore during the financial year 2014-15.

B. Technology Absorption

I. The efforts made towards technology absorption:

- i. Development of new formulations for existing and newer active drug substances.
- ii. Projects to develop APIs and formulations jointly with overseas companies.

Annexure to the Directors' Report *contd.*

- iii. Patenting of newer processes/newer products/newer drug delivery systems/newer medical devices/newer usage of drugs for both local and international markets.
- iv. Development of new products, both in the area of APIs as well as formulations, specifically for export.
- v. Development of new innovative technology for the manufacture of existing APIs and their intermediates.
- vi. Development of agro technology, genetics and biotechnology for cultivation of medicinal plants and isolation of active ingredients from plant materials.
- vii. Development of new drug delivery systems for existing and newer active drug substances as also newer medical devices.
- viii. Development of methods to improve safety procedures, effluent control, pollution control, etc.
- ix. Development of products related to the indigenous system of medicines.

II. The benefits derived like product improvement, cost reduction, product development or import substitution:

- i. Successful commercial scale up of several new APIs and formulations.
- ii. Development of new drug delivery systems and devices.
- iii. Improved processes and enhanced productivity in

- both APIs and formulations.
- iv. Improvement in operational efficiency through reduction in batch hours, increase in batch sizes, better solvent recovery and simplification of processes.
- v. Meeting norms of external regulatory agencies to facilitate more exports.
- vi. Development of products for import substitution.
- vii. Maximum utilization of indigenous raw materials.

III. 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 import of new technology during the financial years 2012-13, 2013-14 and 2014-15.

IV. The expenditure incurred on Research & Development:

	₹ in crore
a. Capital	130.10
b. Recurring	714.04
Total	844.14

The total R&D expenditure as a percentage of total turnover is around 8.26 percent.

C. Foreign Exchange Earnings and Outgo

1. Activities relating to exports, initiative taken to increase exports, development of new export markets for products and services and export plans:
Exports sales were ₹4736.33 crore for the financial year

2014-15. Exports constituted to more than 50% of total turnover. In addition, the Company earned ₹156.82 crore towards technical know-how & licensing fees and ₹17.25 crore for other services fees. The Company continues to leverage on its strategic marketing alliances and partnerships in more than 160 countries.

2. Total foreign exchange used and earned:

During the year, the foreign exchange outgo was ₹2248.34 crore and the earnings in foreign exchange was ₹4910.40 crore. Details of the same have been given in Notes 22, 31 and 32 in the Notes to the financial statements.

On behalf of the Board,

Y. K. Hamied
Chairman

9th July 2015

Annexure to the Directors' Report *contd.*

Annexure III

Pursuant to the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014

- Relevant disclosures in terms of the "Guidance Note on Accounting for Employee Share-based Payments" issued by ICAI has been made in the Notes to Accounts attached to the Annual Report.
- Diluted EPS on issue of shares pursuant to the Schemes

Diluted earnings per share pursuant to the issue of share on exercise of options calculated in accordance with AS - 20, "Earnings Per Share"	Diluted earnings per share of the company calculated after considering the effect of potential equity shares arising on account of exercise of options is ₹14.66
--	--

The details of stock options as on 31st March 2015 under the Employee Stock Option Scheme 2013 ("ESOS 2013"); Employee Stock Option Scheme 2013-A ("ESOS 2013-A") and Employee Stock Option Scheme 2013-B ("ESOS 2013-B") are given below:

A. Summary of Status of ESOS granted

The description of the existing scheme is summarized as under:

Sr. No.	Particulars	ESOS 2013	ESOS 2013 - A	ESOS 2013 - B
1	Date of shareholders' approval	8 th April 2013	22 nd August 2013	22 nd August 2013
2	Total number of options approved	10,00,000	84,44,528	5,22,194
3	Vesting requirement	The options shall vest over a period of 5 years in a phased manner	The options would vest not earlier than 1 year and not later than 2 years from the date of grant of Options	The options shall vest over a period of 5 years in a phased manner
4	Exercise price (₹)	197.50	2	220.78
5	Maximum term of options granted	10 years	6 - 7 years	10 years
6	Sources of shares	Primary	Primary	Primary
7	Variation in terms of options	Not Applicable	Not Applicable	Not Applicable

The movement of options during the year are as follows:

Sr. No.	Particulars	ESOS 2013	ESOS 2013 - A	ESOS 2013 - B
1	No. of Options outstanding at the beginning of the year	10,00,000	14,71,797	5,22,194
2	No. of Options Granted during the year	-	10,79,626	-
3	No. of Options Forfeited/Lapsed during the year	-	2,81,313	-
4	No. of Options Vested during the year	-	2,57,097	-
5	No. of Options Exercised during the year	-	39,083	-
6	No. of Shares arising as a result of exercise of options	-	39,083	-
7	Money realized by exercise of options during the year 2014-15 (₹)	Nil	78,166	Nil
8	Loan repaid by the trust during the year from the exercise price received	Not Applicable	Not Applicable	Not Applicable
9	No. of Options outstanding at the end of the year	10,00,000	22,31,027	5,22,194
10	No. of Options exercisable at the end of the year	-	2,18,014	-

Annexure to the Directors' Report *contd.*

B. Employee-wise details of options granted during the financial year 2014-15 under ESOS 2013-A to:

i. Senior managerial personnel

Name of employee	No. of Options granted
Mr. Davinder Singh	82,952
Ms. Geena V. Malhotra	45,099
Mr. Christos Kartalis	40,017
Dr. Ranjana Pathak	30,019
Mr. Sudhanshu Priyadarshi	28,662
Mr. Chandru Chawla	19,827
Dr. Jaideep A. Gogtay	12,721
Mr. Gautam Rohidekar	10,223
Mr. Mital Sanghvi	3,534

ii. Employees who were granted, during any one year, options amounting to 5% or more of the options granted during the year

Name of employee	No. of Options granted
Mr. Davinder Singh	82,952
Mr. Frank Pieters	69,699
Mr. Timothy C Crew	56,184

iii. Identified employees who were granted option, during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.	None
---	------

C. Weighted average Fair Value of Options granted during the year

Particulars	ESOS 2013	ESOS 2013 - A	ESOS 2013 - B
a. Exercise price equals market price	No options granted during the year	Nil	No options granted during the year
b. Exercise price is greater than market price		Nil	
c. Exercise price is less than market price (₹)		631.48	

Weighted average Exercise price of options granted during the year

Particulars	ESOS 2013	ESOS 2013 - A	ESOS 2013 - B
a. Exercise price equals market price	No options granted during the year	Nil	No options granted during the year
b. Exercise price is greater than market price		Nil	
c. Exercise price is less than market price (₹)		2.00	

Annexure to the Directors' Report *contd.*

D.	Method used to account for ESOS	The compensation cost of stock options granted to employees is calculated based on intrinsic value method, i.e. the excess of the market price of shares immediately prior to date of grant over the exercise price to be paid by the option holders. The compensation cost is amortised to the Statement of Profit and Loss over the vesting period of the stock option.
-----------	--	---

The stock-based compensation cost calculated as per the intrinsic value method for the period 1st April 2014 to 31st March 2015 is ₹50.90 crore (Standalone ₹39.45 crore). If the stock-based compensation cost was calculated as per the fair value method prescribed by SEBI, the total cost to be recognized in the financial statements for the period 1st April 2014 to 31st March 2015 would be ₹53.99 crore (Standalone ₹42.74 crore). The effect of adopting the fair value method on the net income and earnings per share is presented below:

Adjusted Net Income and Earning Per Share

Particulars	₹ in crore
Net Income as reported (Standalone ₹1181.09 crore)	1180.77
Add: Intrinsic Value Compensation Cost (Standalone ₹39.45 crore)	50.90
Less: Fair Value Compensation Cost (Standalone ₹42.74 crore)	53.99
Adjusted Pro Forma Net Income (Standalone ₹1177.78 crore)	1177.68
Earnings Per Share: Basic	
As Reported (₹)	14.71
Adjusted (₹)	14.67
Earnings Per Share: Diluted	
As Reported (₹)	14.66
Adjusted (₹)	14.62

E. Method and Assumptions used to estimate the fair value of options granted during the year:

- The fair value has been calculated using the Black Scholes Option Pricing model. The assumptions used in the model are as follows:

Variables	ESOS 2013	ESOS 2013 - A	ESOS 2013 - B
1. Risk Free Interest Rate	No Options Granted during the year	8.34%	No Options Granted during the year
2. Expected Life (in years)		4.50	
3. Expected Volatility		23.80%	
4. Expected Dividend Yield		0.31%	
5. Price of the underlying share in market at the time of the option grant.		₹641.78	

- The Company has estimated the expected life of the options on the basis of average of minimum and maximum life of the options. Historical data for early exercise of options is not available, hence not considered in expected life calculations.
- Volatility is the measure of the amount by which the price has fluctuated or is expected to fluctuate during a period. The measure of volatility used in the Black-Scholes options pricing model is the annualised standard deviation of the continuously compounded rates of return on the stock over a period of time. For calculating volatility, the daily volatility of the stock prices on the National Stock Exchange of India Limited, over a period prior to the date of grant, corresponding with the expected life of the options has been considered.
- No other feature has been considered for fair valuation of options except as mentioned in point E(i) above.

On behalf of the Board,

Y. K. Hamied
Chairman
9th July 2015

Annexure to the Directors' Report *contd.*

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

- i. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2014-15:

Name	Designation	Ratio to median remuneration
Dr. Y. K. Hamied	Chairman	68:1
Mr. M. K. Hamied ⁽¹⁾	Vice-Chairman	69:1
Mr. Ashok Sinha	Independent Director	15:1
Dr. Peter Mugenyi ⁽²⁾	Independent Director	14:1
Mr. Adil Zainulbhai ⁽³⁾	Independent Director	10:1
Ms. Punita Lal ⁽⁴⁾	Independent Director	4:1
Dr. Nachiket Mor ⁽⁴⁾	Independent Director	4:1
Mr. M. R. Raghavan ⁽⁵⁾	Independent Director	4:1
Mr. Pankaj Patel ⁽⁶⁾	Independent Director	5:1
Dr. H. R. Manchanda ⁽⁷⁾	Independent Director	7:1
Mr. V. C. Kotwal ⁽⁷⁾	Independent Director	7:1
Mr. S. Radhakrishnan	Whole-time Director	125:1
Mr. Subhanu Saxena	Managing Director and Global Chief Executive Officer	453:1
Mr. Rajesh Garg ⁽⁸⁾	Executive Director and Global Chief Financial Officer	169:1

- ii. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2014-15:

Name	Designation	% increase in remuneration in the financial year 2014-15
Dr. Y. K. Hamied	Chairman	0.25
Mr. M. K. Hamied ⁽¹⁾	Vice-Chairman	(70.54)
Mr. Ashok Sinha	Independent Director	198.02
Dr. Peter Mugenyi ⁽²⁾	Independent Director	1178.13
Mr. Adil Zainulbhai ⁽³⁾	Independent Director	-
Ms. Punita Lal ⁽⁴⁾	Independent Director	-
Dr. Nachiket Mor ⁽⁴⁾	Independent Director	-
Mr. M. R. Raghavan ⁽⁵⁾	Independent Director	(30.24)
Mr. Pankaj Patel ⁽⁶⁾	Independent Director	20.26
Dr. H. R. Manchanda ⁽⁷⁾	Independent Director	68.49
Mr. V. C. Kotwal ⁽⁷⁾	Independent Director	86.89
Mr. S. Radhakrishnan	Whole-time Director	0.48
Mr. Subhanu Saxena	Managing Director and Global Chief Executive Officer	(38.64)
Mr. Rajesh Garg ⁽⁸⁾	Executive Director and Global Chief Financial Officer	(32.02)
Mr. Mital Sanghvi	Company Secretary and Chief Internal Auditor	38.08

Notes: ⁽¹⁾ Retired as Whole-time Director effective 31st March 2014 and continues to be the Vice-Chairman in a non-executive role effective 1st April 2014;
⁽²⁾ Appointed w.e.f. 12th February 2014;

Annexure to the Directors' Report *contd.*

(3) Appointed w.e.f. 23rd July 2014;

(4) Appointed w.e.f. 13th November 2014;

(5) Resigned w.e.f. 23rd July 2014;

(6) Resigned w.e.f. 3rd September 2014;

(7) Resigned w.e.f. 13th November 2014;

(8) Demitted office as a Director, Whole-time Director and Chief Financial Officer w.e.f. close of business hours on 12th June 2015

- iii. The percentage increase in the median remuneration of employees in the financial year: 3.41%.
- iv. Number of permanent employees on the rolls of the Company as on 31st March 2015: 23,472.
- v. The explanation on the relationship between average increase in remuneration and company performance:
 - The revenue growth during financial year 2014-15 over financial year 2013-14 was 7.14%.
 - Profit before tax for the financial year 2014-15 has decreased by 15.31% as compared to financial year 2013-14. Profit after tax for the financial year 2014-15 has decreased by 14.93% as compared to financial year 2013-14.
 - The average increase in remuneration during the financial year 2014-15 was 10.61% and was in line with market trend and industry benchmarks.
- vi. Comparison of Remuneration of the Key Managerial Personnel(s) against the performance of the Company are as under:

Aggregate remuneration of Key Managerial Personnel (KMP)	₹19.28 crore
Remuneration of KMP (as % of Revenue)	0.19
Remuneration of KMP (as % of PBT)	1.25
Remuneration of KMP (as % of PAT)	1.63

- vii. The market capitalisation as on 31st March 2015 was ₹57,206.92 crore and was ₹30,735.83 crore as on 31st March 2014. The price earnings ratio of the Company was 48.43 as at 31st March 2015 and was 22.14 as at 31st March 2014. The Company has not made any public offer in the recent past and accordingly, comparison of Public Offer Price and the current market price of the Company's shares will not be relevant.
- viii. The average annual increase excluding the managerial personnel in the financial year 2014-15 was 12.09%. The decrease in the average managerial remuneration for the financial year 2014-15 was 31.85%.
- ix. Comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Name	Remuneration ₹ in crore	Remuneration as % of Revenue	Remuneration as % of PBT	Remuneration as % of PAT
Mr. Subhanu Saxena	13.31	0.13	0.86	1.13
Mr. Rajesh Garg	4.98	0.05	0.32	0.42
Mr. Mital Sanghvi	0.99	0.01	0.06	0.08

- x. The key parameters for any variable component of remuneration availed by the directors are approved by the Board of Directors based on the recommendation of Nomination & Remuneration Committee.
- xi. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year: Not Applicable.
- xii. It is affirmed that the remuneration is as per the Remuneration Policy of the Company.

Annexure to the Directors' Report *contd.*

Annexure V

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN as on the financial year ended on 31st March 2015

[Pursuant to Section 92(3) of the Companies Act, 2013
and
Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. Registration and other Details:

i.	CIN	L24239MH1935PLC002380
ii.	Registration Date	17 th August, 1935
iii.	Name of the Company	Cipla Limited
iv.	Category Sub-Category of the Company	Public Company Limited by shares
v.	Address of the Registered office and contact details	Cipla House, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai 400 013 Tel: 022 2482 6000 Fax: 022 2482 6893 Email address: cosecretary@cipla.com Website: www.cipla.com
vi.	Whether listed company	Yes
vii.	Name, Address and Contact details of Registrar & Transfer Agent, if any	Karvy Computershare Private Limited Karvy Selenium Tower B, Plot No.: 31 & 32 Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad Telangana 500032 Tel: 040 6716 2222 / 1511 Fax: 040 2300 1153 Email address: einward.ris@karvy.com

II. Principal business activities of the Company

Sr. No.	Name and Description of main products/services	NIC Code of the product/service	% to total turnover of the company
1.	Pharmaceuticals	210	100

Annexure to the Directors' Report *contd.*

III. Particulars of Holding, Subsidiary and Associate Companies:

Sr. No.	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section of Companies Act, 2013
Subsidiaries (held directly)					
1.	Cipla FZE Office No. LB17132, Jebel Ali Free Zone, Dubai, U.A.E.	NA	Subsidiary	100	2(87)
2.	Goldencross Pharma Pvt. Ltd. Registered Office address w.e.f 1 st June 2015: C1-Pooja Apartment, 17, Hariyali Estate, Vikhroli-West, Mumbai-400083, Maharashtra, India	U24239MH2000PTC123766	Subsidiary	100	2(87)
3.	Cipla (Mauritius) Ltd. c/o. CIM Corporate Services Ltd., Les Cascades Building, Edith Cavell Street, Port Louis, Mauritius	NA	Subsidiary	100	2(87)
4.	Meditab Specialities Pvt. Ltd. Registered Office address w.e.f 1 st June 2015: C1-Pooja Apartment, 17, Hariyali Estate, Vikhroli-West, Mumbai-400083, Maharashtra, India	U23240MH1996PTC104442	Subsidiary	100	2(87)
5.	Cipla Medpro South Africa (Pty) Ltd. 1474, South Coast Road, Mobeni, Durban - 4052, South Africa	NA	Subsidiary	100	2(87)
6.	Cipla Holding B.V. Schiphol, Boulevard 231, 118BH Schiphol, the Netherlands Rotterdam, the Netherlands (corporate seat)	NA	Subsidiary	100	2(87)
7.	Cipla BioTec Pvt. Ltd. (Formerly known as Mabpharm Pvt. Ltd.) L-147 / B, Verna industrial area, Verna, Goa- 403722, Goa, India	U24239GA2008PTC007374	Subsidiary	100	2(87)
8.	Cipla (EU) Ltd. Hillbrow House, Hillbrow Road, Esher, Surrey, KT10 9NW, United Kingdom	NA	Subsidiary	100	2(87)
9.	Saba Investment Ltd. P.O Box 124600, Suite # 516, Sultan Business Centre, Oud Metha, Dubai, U.A.E.	NA	Subsidiary	51	2(87)
10.	Jay Precision Pharmaceuticals Pvt. Ltd. Government Indl Estate, Plot No. 40/41 ABCD, Charkop, Kandivali (West), Mumbai-400067, Maharashtra, India	U33111MH2012PTC234037	Subsidiary	60	2(87)
Subsidiaries (held indirectly)					
11.	Four M Propack Pvt. Ltd. Registered Office address w.e.f 1 st June 2015: C1-Pooja Apartment, 17, Hariyali Estate Vikhroli-West, Mumbai-400083, Maharashtra, India	U51900MH2008PTC186021	Subsidiary	100	2(87)
12.	Cipla (UK) Ltd. The Old Post House, 91 Heath Road, Weybridge Surrey, KT13 8TS, United Kingdom	NA	Subsidiary	100	2(87)
13.	Cipla Australia Pty. Ltd. BSA Partnership Pty. Ltd., Level 15, 461 Bourke Street, Melbourne, VIC, 3000, Australia	NA	Subsidiary	100	2(87)
14.	Medispray Laboratories Pvt. Ltd. Plot No.344/345, Kundaim Industrial Estate, Kundaim, Goa - 403115, Goa, India	U52311GA1992PTC002801	Subsidiary	100	2(87)

Annexure to the Directors' Report *contd.*

Sr. No.	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section of Companies Act, 2013
15.	Sitec Labs Pvt. Ltd. Registered Office address w.e.f 1 st June 2015: C1-Pooja Apartment, 17, Hariyali Estate Vikhroli-West, Mumbai-400083, Maharashtra, India	U74999MH2000PTC129210	Subsidiary	100	2(87)
16.	Meditab Holdings Ltd. C/o. CIM Corporate Services Ltd., Les Cascades Building, Edith Cavell Street, Port Louis, Mauritius	NA	Subsidiary	100	2(87)
17.	Meditab Pharmaceuticals South Africa (Pty) Ltd. De Waterkant Building, 10 Helderberg Street, Stellenbosch, Western Cape, 7600, South Africa	NA	Subsidiary	100	2(87)
18.	Meditab Specialities New Zealand Ltd. C/-DFK Oswin Griffiths Carlton, Level 4, 52 Symonds Street, Auckland, New Zealand	NA	Subsidiary	100	2(87)
19.	Cipla İlaç Ticaret Anonim Şirketi Fulya Hakkı Yeten Cad. Seleniun, Plaza No: 10C Kat:6 Besiktas -Istanbul, Turkey	NA	Subsidiary	100	2(87)
20.	Cipla USA Inc. Corporation Service Company, 2711 Centerville Road, Suite 400, New Castle County, Wilmington, DE 19801, USA	NA	Subsidiary	100	2(87)
21.	Cipla Kenya Ltd. L.R. No. 209/1907, 5 th Floor, Avocado Towers, Muthithi Road, Westlands, P.O. Box 45669-00100, Nairobi, Kenya	NA	Subsidiary	100	2(87)
22.	Cipla Malaysia Sdn. Bhd. Suite 1005, 10 th Floor, Wisma Hamzah-Kwong Hing, No. 1, Leboh Ampang, 50100, Kuala Lumpur, Malaysia	NA	Subsidiary	100	2(87)
23.	Cipla Europe NV Uitbreidingstraat 80, 2600 Antwerp, Belgium	NA	Subsidiary	100	2(87)
24.	Cipla Quality Chemical Industries Ltd. Plot 1-7, First Ring Road, Luzira Industrial Park, P.O. Box 34871, Kampala, Uganda	NA	Subsidiary	51.05	2(87)
25.	Cipla Croatia d.o.o., (Formerly known as Celeris d.o.o.) Ulica grada Vukovara 284/C/3, 10 000 Zagreb, Croatia	NA	Subsidiary	100	2(87)
26.	Cipla Medpro Manufacturing Proprietary Ltd. Mazars House, Rialto Road, Grand Moorings Precinct, Century City. 7441, South Africa	NA	Subsidiary	100	2(87)
27.	Galilee Marketing Proprietary Ltd. 1474, South Coast Road, Mobeni 4052, South Africa	NA	Subsidiary	100	2(87)
28.	Inyanga Trading 386 Proprietary Ltd. Mazars House, Rialto Road, Grand Moorings Precinct, Century City. 7441, South Africa	NA	Subsidiary	100	2(87)
29.	Xeragen Laboratories Proprietary Ltd. 1474, South Coast Road, Mobeni-4052, South Africa	NA	Subsidiary	100	2(87)
30.	Cipla Medpro Holdings Proprietary Ltd. Mazars House, Rialto Road, Grand Moorings Precinct, Century City. 7441, South Africa	NA	Subsidiary	100	2(87)
31.	Cape to Cairo Exports Proprietary Ltd. Mazars House, Rialto Road, Grand Moorings Precinct, Century City. 7441, South Africa	NA	Subsidiary	100	2(87)

Annexure to the Directors' Report *contd.*

Sr. No.	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section of Companies Act, 2013
32.	Cipla Agrimed Proprietary Ltd. Mazars House, Rialto Road, Grand Moorings Precinct, Century City. 7441, South Africa	NA	Subsidiary	100	2(87)
33.	Cipla Dibcare Proprietary Ltd. Mazars House, Rialto Road, Grand Moorings Precinct, Century City. 7441, South Africa	NA	Subsidiary	100	2(87)
34.	Cipla Health Care Proprietary Ltd. Mazars House, Rialto Road, Grand Moorings Precinct, Century City. 7441, South Africa	NA	Subsidiary	100	2(87)
35.	Cipla Life Sciences Proprietary Ltd. Mazars House, Rialto Road, Grand Moorings Precinct, Century City. 7441, South Africa	NA	Subsidiary	100	2(87)
36.	Cipla-Medpro Proprietary Ltd. Mazars House, Rialto Road, Grand Moorings Precinct, Century City. 7441, South Africa	NA	Subsidiary	100	2(87)
37.	Cipla-Medpro Distribution Centre Proprietary Ltd. Mazars House, Rialto Road, Grand Moorings Precinct, Century City. 7441, South Africa	NA	Subsidiary	100	2(87)
38.	Cipla Medpro ARV Proprietary Ltd. Mazars House, Rialto Road, Grand Moorings Precinct, Century City. 7441, South Africa	NA	Subsidiary	100	2(87)
39.	Cipla Medpro Botswana Proprietary Ltd. P.O. Box 40185, Gaborone	NA	Subsidiary	100	2(87)
40.	Cipla Medpro Cardio Respiratory Proprietary Ltd. Mazars House, Rialto Road, Grand Moorings Precinct, Century City. 7441, South Africa	NA	Subsidiary	100	2(87)
41.	Cipla Medpro Research and Development Proprietary Ltd. Mazars House, Rialto Road, Grand Moorings Precinct, Century City. 7441, South Africa	NA	Subsidiary	100	2(87)
42.	Cipla Nutrition Proprietary Ltd. Mazars House, Rialto Road, Grand Moorings Precinct, Century City. 7441, South Africa	NA	Subsidiary	80	2(87)
43.	Cipla Personal Care Proprietary Ltd. Mazars House, Rialto Road, Grand Moorings Precinct, Century City. 7441, South Africa	NA	Subsidiary	100	2(87)
44.	Cipla Vet Proprietary Ltd. Mazars House, Rialto Road, Grand Moorings Precinct, Century City. 7441, South Africa	NA	Subsidiary	100	2(87)
45.	Gardian Cipla Proprietary Ltd. Mazars House, Rialto Road, Grand Moorings Precinct, Century City. 7441, South Africa	NA	Subsidiary	100	2(87)
46.	Medpro Gen Proprietary Ltd. Mazars House, Rialto Road, Grand Moorings Precinct, Century City. 7441, South Africa	NA	Subsidiary	100	2(87)
47.	Medpro Holdings Proprietary Ltd. Mazars House, Rialto Road, Grand Moorings Precinct, Century City. 7441, South Africa	NA	Subsidiary	100	2(87)

Annexure to the Directors' Report *contd.*

Sr. No.	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section of Companies Act, 2013
48.	Medpro Pharmaceutica Proprietary Ltd. Mazars House, Rialto Road, Grand Moorings Precinct, Century City. 7441, South Africa	NA	Subsidiary	100	2(87)
49.	Medpro Pharmaceutica Africa Proprietary Ltd. Mazars House, Rialto Road, Grand Moorings Precinct, Century City. 7441, South Africa	NA	Subsidiary	100	2(87)
50.	Medpro-On-Line Proprietary Ltd. Mazars House, Rialto Road, Grand Moorings Precinct, Century City. 7441, South Africa	NA	Subsidiary	100	2(87)
51.	Med Man Care Proprietary Ltd. Mazars House, Rialto Road, Grand Moorings Precinct, Century City. 7441, South Africa	NA	Subsidiary	100	2(87)
52.	Smith and Couzin Proprietary Ltd. Mazars House, Rialto Road, Grand Moorings Precinct, Century City. 7441, South Africa	NA	Subsidiary	100	2(87)
53.	Breathe Free Lanka (Private) Ltd. No. 47, Alexandra Place, Colombo 7, Sri Lanka	NA	Subsidiary	100	2(87)
54.	Cipla Canada Inc. Office number- 477, 6500 TransCanada Service Rd, 4 th Floor, Pointe-Claire, H9R 0A5, Quebec, Canada	NA	Subsidiary	100	2(87)
55.	Medica Pharmaceutical Industries Company Ltd. Al Jabal Group building, Noakshot Street, Behind Canada Dry Company, PO Box 20031, Sanaa, Yemen	NA	Subsidiary	50.49	2(87)
56.	Al-Jabal For Drugs and Medical Appliances Company Ltd. Al Jabal Group building, Noakshot Street, Behind Canada Dry Company, PO Box 20031, Sanaa, Yemen	NA	Subsidiary	50.49	2(87)
57.	Cipla Pharma Lanka (Private) Ltd. 29/3, Kirimandala Mawatha Nawala, Rajagiriya, Sri Lanka	NA	Subsidiary	60	2(87)
58.	Cipla Pharma Nigeria Ltd. Afprint Compound, 122-132, Oshodi-Apapa Expressway, Isolo, Lagos, Nigeria	NA	Subsidiary	100	2(87)
	Associates				
59.	Stempeutics Research Pvt. Ltd. Akshay Tech Park , #72 & 73 , 2 nd Floor, EPIP Zone, Phase I-Area Whitefield, Bengaluru, Karnataka, India	U73100KA2006PTC038256	Associate	49.00	2(6)
60.	Biomab Holding Ltd. Unit 511, 5/F, Tower I, Silvercord, 30 Canton Road, Tsimshatsui, Kowloon, Hongkong	NA	Associate	25.00	2(6)
61.	Jiangsu Cdymax Pharmaceuticals Co.Ltd. No.3 Jiangfeng Road, Binjiang Fine Chemical Park, Economic Development Zone, Qidong City, Nantong City, Jiangsu Province, Zipcode-226200, China (Divested on 31 st March 2015)	NA	Associate	48.22	2(6)
	Joint Venture				
62.	Aspen-Cipla Australia Pty. Ltd. 34-36 Chandos Street, St. Leonards, NSW, Australia (Application for de-registration of the company was made during the financial year 2014-15 and the company was de-registered on 6 th April 2015)	NA	Associate	50.00	2(6)

Annexure to the Directors' Report *contd.*

IV. Share Holding Pattern

(Equity Share Capital Breakup as a percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (as on 1 st April 2014)				No. of Shares held at the end of the year (as on 31 st March 2015)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual / HUF	122720500	-	122720500	15.28	111781000	-	111781000	13.92	-1.36
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	6022791	-	6022791	0.75	6022791	-	6022791	0.75	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1)	128743291	-	128743291	16.03	117803791	-	117803791	14.67	-1.36
(2) Foreign									
a) NRIs - Individuals	166742687	-	166742687	20.77	177682187	-	177682187	22.13	1.36
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2)	166742687	-	166742687	20.77	177682187	-	177682187	22.13	1.36
Total shareholding of Promoter (A) = (A) (1) + (A) (2)	295485978	-	295485978	36.80	295485978	-	295485978	36.80	-
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds / UTI	35560020	-	35560020	4.43	30823665	-	30823665	3.84	-0.59
b) Banks / FI	2078371	74100	2152471	0.27	1554907	16600	1571507	0.20	-0.07
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	54034329	-	54034329	6.73	45950769	-	45950769	5.72	-1.01
g) FIs	187252746	-	187252746	23.32	161846469	-	161846469	20.16	-3.16
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)									
• Foreign Portfolio Investors	-	-	-	-	42324517	-	42324517	5.27	5.27
Sub-total (B) (1)	278925466	74100	278999566	34.75	282500327	16600	282516927	35.19	0.44

Annexure to the Directors' Report *contd.*

Category of Shareholders	No. of Shares held at the beginning of the year (as on 1 st April 2014)				No. of Shares held at the end of the year (as on 31 st March 2015)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	37351518	261057	37612575	4.68	31558192	261057	31819249	3.96	-0.72
ii) Overseas	143297	-	143297	0.02	157358	-	157358	0.02	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹1 lakh	49042156	4782234	53824390	6.71	46917123	4495034	51412157	6.40	-0.31
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	58965355	38224674	97190029	12.11	59416064	34301974	93718038	11.67	-0.44
c) Others (specify)									
i) Qualified Foreign Investor	100	-	100	0.00	-	-	-	-	0.00
ii) Trusts	1468026	-	1468026	0.18	1395071	-	1395071	0.17	-0.01
iii) Non Resident Indians	5004880	22628900	27633780	3.44	4820324	23017100	27837424	3.47	0.03
iv) Clearing Members	1696036	-	1696036	0.21	1099418	-	1099418	0.14	-0.07
v) Foreign Nationals	209	-	209	0.00	-	-	-	-	0.00
vi) Overseas Corporate Bodies	375	-	375	0.00	375	-	375	0.00	-
Sub-total (B) (2)	153671952	65896865	219568817	27.35	145363925	62075165	207439090	25.83	-1.52
Total Public Shareholding (B)=(B) (1)+(B) (2)	432597418	65970965	498568383	62.10	427864252	62091765	489956017	61.02	-1.08
C. Shares held by Custodian for GDRs & ADRs	8866996	-	8866996	1.10	17518445	-	17518445	2.18	1.08
Grand Total (A+B+C)	736950392	65970965	802921357	100.00	740868675	62091765	802960440	100.00	-

Annexure to the Directors' Report *contd.*

ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 1 st April 2014)			Shareholding at the end of the year (As on 31 st March 2015)			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1.	Dr. Y. K. Hamied	124827750	15.55	-	124827750	15.55	-	-
2.	M. K. Hamied	39690000	4.94	-	39690000	4.94	-	-
3.	Farida Hamied	41914937	5.22	-	41914937	5.22	-	-
4.	Sophie Ahmed	45982000	5.73	-	45982000	5.73	-	-
5.	Shirin Hamied	6363000	0.79	-	6363000	0.79	-	-
6.	Kamil Hamied	10939500	1.36	-	10939500	1.36	-	-
7.	Samina Vaziralli	9859500	1.23	-	9859500	1.23	-	-
8.	Rumana Hamied	9886500	1.23	-	9886500	1.23	-	-
9.	MN Rajkumar Garments LLP	2601852	0.32	-	2601852	0.32	-	-
10.	Shree Riddhi Chemicals LLP	2434970	0.30	-	2434970	0.30	-	-
11.	Alps Remedies Pvt. Ltd.	492985	0.06	-	492985	0.06	-	-
12.	Hamsons Laboratories LLP	492602	0.06	-	492602	0.06	-	-
13.	Neo Research Labs Pvt. Ltd.	382	0.00	-	382	0.00	-	-
TOTAL		295485978	36.80	-	295485978	36.80	-	-

iii) Change in Promoters' Shareholding:

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	At the beginning of the year	There is no change in Promoters' Shareholding between 1 st April 2014 to 31 st March 2015			
2.	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)				
3.	At the end of the year				

Annexure to the Directors' Report *contd.*

iv) Shareholding Pattern of top ten Shareholders

(other than Directors, Promoters and Holders of GDRs and ADRs)

Sr. No.	Name of the Shareholder	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (1 st April 2014 to 31 st March 2015)	
		No. of shares at the beginning (1 st April 2014)/ end of the year (31 st March 2015)	% of total shares of the Company				No. of shares	% of total shares of the Company
1.	Life Insurance Corporation of India	52497490	6.54	01/04/2014				
				11/04/2014	-150000	Transfer	52347490	6.52
				18/04/2014	1430828	Transfer	53778318	6.70
				25/04/2014	686692	Transfer	54465010	6.78
				02/05/2014	773013	Transfer	55238023	6.88
				09/05/2014	-495	Transfer	55237528	6.88
				16/05/2014	1666386	Transfer	56903914	7.09
				23/05/2014	3176967	Transfer	60080881	7.48
				30/05/2014	156647	Transfer	60237528	7.50
				06/06/2014	20000	Transfer	60257528	7.50
				13/06/2014	-15311	Transfer	60242217	7.50
				20/06/2014	-409039	Transfer	59833178	7.45
				30/06/2014	-99767	Transfer	59733411	7.44
				04/07/2014	-254507	Transfer	59478904	7.41
				11/07/2014	-195000	Transfer	59283904	7.38
				18/07/2014	-20000	Transfer	59263904	7.38
				25/07/2014	-10000	Transfer	59253904	7.38
				01/08/2014	-15000	Transfer	59238904	7.38
				15/08/2014	142273	Transfer	59381177	7.40
				22/08/2014	-129175	Transfer	59252002	7.38
				29/08/2014	-129575	Transfer	59122427	7.36
				05/09/2014	-495169	Transfer	58627258	7.30
				12/09/2014	-327661	Transfer	58299597	7.26
				19/09/2014	-462416	Transfer	57837181	7.20
				30/09/2014	-100000	Transfer	57737181	7.19
				03/10/2014	-50000	Transfer	57687181	7.18
				17/10/2014	-130000	Transfer	57557181	7.17
				24/10/2014	-156000	Transfer	57401181	7.15
				31/10/2014	-80000	Transfer	57321181	7.14
				07/11/2014	-362860	Transfer	56958321	7.09
				14/11/2014	-1020464	Transfer	55937857	6.97
				28/11/2014	-1500969	Transfer	54436888	6.78
				05/12/2014	-505717	Transfer	53931171	6.72
				12/12/2014	-50000	Transfer	53881171	6.71
				19/12/2014	-50000	Transfer	53831171	6.70
				31/12/2014	-243487	Transfer	53587684	6.67
				02/01/2015	-440043	Transfer	53147641	6.62
				09/01/2015	-861361	Transfer	52286280	6.51
				16/01/2015	-1164273	Transfer	51122007	6.37
				23/01/2015	-2180893	Transfer	48941114	6.10
				30/01/2015	-964041	Transfer	47977073	5.98

Annexure to the Directors' Report *contd.*

Sr. No.	Name of the Shareholder	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (1 st April 2014 to 31 st March 2015)	
		No. of shares at the beginning (1 st April 2014)/ end of the year (31 st March 2015)	% of total shares of the Company				No. of shares	% of total shares of the Company
				06/02/2015	-849785	Transfer	47127288	5.87
				13/02/2015	-59016	Transfer	47068272	5.86
				20/02/2015	-47400	Transfer	47020872	5.86
				27/02/2015	-456220	Transfer	46564652	5.80
				06/03/2015	-150589	Transfer	46414063	5.78
				13/03/2015	-1019313	Transfer	45394750	5.65
				20/03/2015	-620785	Transfer	44773965	5.58
				27/03/2015	-527904	Transfer	44246061	5.51
				31/03/2015	-32157	Transfer	44213904	5.51
		44213904	5.51	31/03/2015				
2.	Oppenheimer Developing Markets Fund	30788534	3.83	01/04/2014				
				30/09/2014	-2199408	Transfer	28589126	3.56
				10/10/2014	-1588495	Transfer	27000631	3.36
				17/10/2014	-1101211	Transfer	25899420	3.23
				05/12/2014	-3738556	Transfer	22160864	2.76
				06/02/2015	-438081	Transfer	21722783	2.71
				13/02/2015	-3065958	Transfer	18656825	2.32
				20/02/2015	-43564	Transfer	18613261	2.32
		18613261	2.32	31/03/2015				
3.	Virtus Emerging Markets Opportunities Fund	13185787	1.64	01/04/2014	-	Nil movement during the year		
		13185787	1.64	31/03/2015	-		13185787	1.64
4.	Vontobel Fund - Emerging Markets Equity	8716775	1.09	01/04/2014				
				04/04/2014	-205500	Transfer	8511275	1.06
				27/03/2015	-133300	Transfer	8377975	1.04
				31/03/2015	-197400	Transfer	8180575	1.02
		8180575	1.02	31/03/2015				
5.	Vontobel India Fund	8596897	1.07	01/04/2014				
				02/01/2015	232647	Transfer	8829544	1.10
				09/01/2015	95253	Transfer	8924797	1.11
				23/01/2015	1200000	Transfer	10124797	1.26
				30/01/2015	250000	Transfer	10374797	1.29
				06/03/2015	250000	Transfer	10624797	1.32
				13/03/2015	261200	Transfer	10885997	1.36
				27/03/2015	-89790	Transfer	10796207	1.34
				31/03/2015	-132922	Transfer	10663285	1.33
		10663285	1.33	31/03/2015				
6.	ICICI Prudential Life Insurance Company Ltd.	8239459	1.03	01/04/2014				
				04/04/2014	19742	Transfer	8259201	1.03
				11/04/2014	-13636	Transfer	8245565	1.03
				18/04/2014	18131	Transfer	8263696	1.03
				25/04/2014	4749	Transfer	8268445	1.03
				02/05/2014	-10168	Transfer	8258277	1.03
				09/05/2014	-148204	Transfer	8110073	1.01

Annexure to the Directors' Report *contd.*

Sr. No.	Name of the Shareholder	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (1 st April 2014 to 31 st March 2015)	
		No. of shares at the beginning (1 st April 2014)/ end of the year (31 st March 2015)	% of total shares of the Company				No. of shares	% of total shares of the Company
				16/05/2014	-501873	Transfer	7608200	0.95
				23/05/2014	17881	Transfer	7626081	0.95
				30/05/2014	-351722	Transfer	7274359	0.91
				06/06/2014	-58703	Transfer	7215656	0.90
				13/06/2014	-78572	Transfer	7137084	0.89
				20/06/2014	-18484	Transfer	7118600	0.89
				30/06/2014	2116	Transfer	7120716	0.89
				11/07/2014	132165	Transfer	7252881	0.90
				18/07/2014	-70750	Transfer	7182131	0.89
				25/07/2014	33109	Transfer	7215240	0.90
				08/08/2014	-16793	Transfer	7198447	0.90
				22/08/2014	66275	Transfer	7264722	0.90
				05/09/2014	5067	Transfer	7269789	0.91
				12/09/2014	-15388	Transfer	7254401	0.90
				19/09/2014	-23628	Transfer	7230773	0.90
				30/09/2014	687	Transfer	7231460	0.90
				03/10/2014	-2010	Transfer	7229450	0.90
				10/10/2014	362	Transfer	7229812	0.90
				17/10/2014	-2442	Transfer	7227370	0.90
				24/10/2014	-102480	Transfer	7124890	0.89
				31/10/2014	-142950	Transfer	6981940	0.87
				07/11/2014	-9666	Transfer	6972274	0.87
				14/11/2014	-10670	Transfer	6961604	0.87
				21/11/2014	-9588	Transfer	6952016	0.87
				28/11/2014	-18137	Transfer	6933879	0.86
				05/12/2014	-9641	Transfer	6924238	0.86
				12/12/2014	-73171	Transfer	6851067	0.85
				19/12/2014	-1996	Transfer	6849071	0.85
				31/12/2014	-4278	Transfer	6844793	0.85
				02/01/2015	-36511	Transfer	6808282	0.85
				09/01/2015	-2985	Transfer	6805297	0.85
				23/01/2015	30767	Transfer	6836064	0.85
				30/01/2015	-11857	Transfer	6824207	0.85
				06/02/2015	5444	Transfer	6829651	0.85
				13/02/2015	145450	Transfer	6975101	0.87
				20/02/2015	-633029	Transfer	6342072	0.79
				27/02/2015	-1807	Transfer	6340265	0.79
				06/03/2015	221296	Transfer	6561561	0.82
				13/03/2015	-128797	Transfer	6432764	0.80
				20/03/2015	37450	Transfer	6470214	0.81
				27/03/2015	192462	Transfer	6662676	0.83
				31/03/2015	32679	Transfer	6695355	0.83
		6695355	0.83	31/03/2015				

Annexure to the Directors' Report *contd.*

Sr. No.	Name of the Shareholder	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (1 st April 2014 to 31 st March 2015)	
		No. of shares at the beginning (1 st April 2014)/ end of the year (31 st March 2015)	% of total shares of the Company				No. of shares	% of total shares of the Company
7.	Vanguard Emerging Markets Stock Index Fund, Aseries of Vanguard International Equity Index Fund	5995865	0.75	01/04/2014				
				04/04/2014	28400	Transfer	6024265	0.75
				11/04/2014	34790	Transfer	6059055	0.75
				18/04/2014	4970	Transfer	6064025	0.76
				23/05/2014	12780	Transfer	6076805	0.76
				11/07/2014	24850	Transfer	6101655	0.76
				25/07/2014	28400	Transfer	6130055	0.76
				01/08/2014	45440	Transfer	6175495	0.77
				22/08/2014	17750	Transfer	6193245	0.77
				12/09/2014	19880	Transfer	6213125	0.77
				28/11/2014	19880	Transfer	6233005	0.78
				05/12/2014	17750	Transfer	6250755	0.78
				09/01/2015	-29110	Transfer	6221645	0.77
				16/01/2015	-12780	Transfer	6208865	0.77
				23/01/2015	-12070	Transfer	6196795	0.77
				06/02/2015	-3550	Transfer	6193245	0.77
				13/02/2015	-267327	Transfer	5925918	0.74
				31/03/2015	-10650	Transfer	5915268	0.74
		5915268	0.74	31/03/2015				
8.	Government of Singapore	5521803	0.69	01/04/2014				
				04/04/2014	186868	Transfer	5708671	0.71
				11/04/2014	-119966	Transfer	5588705	0.70
				02/05/2014	-123733	Transfer	5464972	0.68
				30/05/2014	-320024	Transfer	5144948	0.64
				06/06/2014	-96604	Transfer	5048344	0.63
				20/06/2014	-17127	Transfer	5031217	0.63
				30/06/2014	-35290	Transfer	4995927	0.62
				04/07/2014	-12399	Transfer	4983528	0.62
				11/07/2014	-3410	Transfer	4980118	0.62
				01/08/2014	-165586	Transfer	4814532	0.60
				29/08/2014	-42919	Transfer	4771613	0.59
				05/09/2014	-46048	Transfer	4725565	0.59
				12/09/2014	3448	Transfer	4729013	0.59
				03/10/2014	24429	Transfer	4753442	0.59
				10/10/2014	43930	Transfer	4797372	0.60
				17/10/2014	-3562	Transfer	4793810	0.60
				24/10/2014	-2786	Transfer	4791024	0.60
				31/10/2014	75265	Transfer	4866289	0.61
				07/11/2014	149650	Transfer	5015939	0.62
				21/11/2014	-4571	Transfer	5011368	0.62
				28/11/2014	-11570	Transfer	4999798	0.62
				05/12/2014	-24119	Transfer	4975679	0.62
				12/12/2014	11309	Transfer	4986988	0.62
				19/12/2014	-5404	Transfer	4981584	0.62

Annexure to the Directors' Report *contd.*

Sr. No.	Name of the Shareholder	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (1 st April 2014 to 31 st March 2015)	
		No. of shares at the beginning (1 st April 2014)/ end of the year (31 st March 2015)	% of total shares of the Company				No. of shares	% of total shares of the Company
				31/12/2014	-30909	Transfer	4950675	0.62
				16/01/2015	106602	Transfer	5057277	0.63
				13/02/2015	97536	Transfer	5154813	0.64
				20/02/2015	-4587	Transfer	5150226	0.64
				06/03/2015	5867	Transfer	5156093	0.64
				27/03/2015	25671	Transfer	5181764	0.65
		5181764	0.65	31/03/2015				
9.	Abu Dhabi Investment Authority - Gulab	5069758	0.63	01/04/2014				
				06/06/2014	147074	Transfer	5216832	0.65
				30/06/2014	2630	Transfer	5219462	0.65
				04/07/2014	8807	Transfer	5228269	0.65
				11/07/2014	45295	Transfer	5273564	0.66
				18/07/2014	24111	Transfer	5297675	0.66
				19/09/2014	45866	Transfer	5343541	0.67
				28/11/2014	81305	Transfer	5424846	0.68
				12/12/2014	37043	Transfer	5461889	0.68
				06/03/2015	-116865	Transfer	5345024	0.67
		5345024	0.67	31/03/2015				
10.	Fidelity Funds Emerging Markets Fund*	Nil	-	01/04/2014				
				12/12/2014	692653	Transfer	692653	0.09
				19/12/2014	923812	Transfer	1616465	0.20
				31/12/2014	766098	Transfer	2382563	0.30
				09/01/2015	270649	Transfer	2653212	0.33
				16/01/2015	384022	Transfer	3037234	0.38
				23/01/2015	21738	Transfer	3058972	0.38
				30/01/2015	197011	Transfer	3255983	0.41
				06/02/2015	74235	Transfer	3330218	0.41
				13/02/2015	498029	Transfer	3828247	0.48
				20/02/2015	894144	Transfer	4722391	0.59
				27/02/2015	601241	Transfer	5323632	0.66
				06/03/2015	147549	Transfer	5471181	0.68
				13/03/2015	369683	Transfer	5840864	0.73
				20/03/2015	468521	Transfer	6309385	0.79
				27/03/2015	311372	Transfer	6620757	0.82
		6620757	0.82	31/03/2015				
11.	FIL Investments (Mauritius) Limited#	4794659	0.60	01/04/2014				
				18/04/2014	-474257	Transfer	4320402	0.54
				23/05/2014	-245268	Transfer	4075134	0.51
				28/11/2014	-179704	Transfer	3895430	0.49
		3895430	0.49	31/03/2015				

* Not in the list of Top 10 shareholders as on 1st April 2014. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31st March 2015.

Ceased to be in the list of Top 10 shareholders as on 31st March 2015. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 1st April 2014.

Annexure to the Directors' Report *contd.*

v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name	Shareholding		Date	Increase/ (Decrease)	Reason	Cumulative Shareholding during the year (1 st April 2014 to 31 st March 2015)	
		No. of shares at the beginning (1 st April 2014) / end of the year (31 st March 2015)	% of total shares of the Company				No. of shares	% of total shares of the Company
1.	Dr. Y. K. Hamied	124827750	15.55	1 st April 2014	-	Nil movement during the year		
		124827750	15.55	31 st March 2015	-		124827750	15.55
2.	Mr. M. K. Hamied	39690000	4.94	1 st April 2014	-	Nil movement during the year		
		39690000	4.94	31 st March 2015	-		39690000	4.94
3.	Mr. S. Radhakrishnan (as joint holder)	38125	0.00	1 st April 2014	-	Nil movement during the year		
		38125	0.00	31 st March 2015	-		38125	0.00

None of the other directors or KMP held any shares in the Company at the beginning, during or at the end of the financial year.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

₹ in crore

	Secured Loans excluding deposits	Unsecured Loans [#]	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	877.40	-	877.40
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	877.40	-	877.40
Change in Indebtedness during the financial year				
• Addition	0.67	3067.85	-	3068.52
• Reduction	-	(2565.30)	-	(2565.30)
Net Change	0.67	502.55	-	503.22
Indebtedness at the end of the financial year				
i) Principal Amount	0.67	1379.95	-	1380.62
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	0.64	-	0.64
Total (i+ii+iii)	0.67	1380.59	-	1381.26

[#] The above unsecured loans includes interest free sales tax deferral loans.

Annexure to the Directors' Report *contd.*

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

i) Remuneration to Managing Director, Whole-time Directors and/or Manager:

₹ in crore

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount
		Mr. Subhanu Saxena	Mr. S. Radhakrishnan	Mr. Rajesh Garg	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	8.68	2.12	3.81	14.61
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	1.03	0.01	0.49	1.53
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-	-
2.	Stock Option granted during the year (nos.)	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission as % of profit	-	1.42	-	1.42
5.	Others				
	- Employer contribution to provident fund and other funds	0.25	0.14	0.15	0.54
	- Variable Bonus	3.35	-	0.53	3.88
	Total (A)	13.31	3.69	4.98	21.98
	Ceiling as per the Act (being 10% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)				154.80

ii) Remuneration to other directors:

₹ in crore

Sr. No.	Name of the director	Fee for attending board/committee meeting	Commission	Others	Total Amount
1.	Independent Directors				
	Mr. Ashok Sinha	0.03	0.42	-	0.45
	Dr. Peter Mugenyi	0.01	0.40	-	0.41
	Mr. Adil Zainulbhai	0.02	0.28	-	0.30
	Ms. Punita Lal	0.01	0.12	-	0.13
	Dr. Nachiket Mor	0.01	0.12	-	0.13
	Mr. Pankaj Patel	0.01	0.13	-	0.14
	Dr. H.R. Manchanda	0.01	0.19	-	0.20
	Mr. V.C. Kotwal	0.01	0.19	-	0.20
	Mr. M. R. Raghavan	0.00*	0.11	-	0.11
	Total (1)	0.11	1.96	-	2.07

Annexure to the Directors' Report *contd.*

₹ in crore

Sr. No.	Name of the director	Fee for attending board/committee meeting	Commission	Others	Total Amount
2.	Other Non-Executive Directors				
	Dr. Y. K. Hamied	0.01	2.00	-	2.01
	Mr. M. K. Hamied	0.03	2.00	-	2.03
	Total (2)	0.04	4.00	-	4.04
	Total (B) = (1+2)	0.15	5.96	-	6.11
	Ceiling as per Act (being 1% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)				15.48
	Total Managerial Remuneration (A+B)				28.09
	Overall Ceiling as per the Act (being 11% of Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013)				170.28

₹40,000

iii) Remuneration to Key Managerial Personnel other than MD/Manager/WTD:

₹ in crore

Sr. No.	Particulars of Remuneration	Key Managerial Personnel
		Mr. Mital Sanghvi
1.	Gross salary	
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961 (A)	0.95
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-
2.	Stock Option granted during the year (nos.)	3534
3.	Sweat Equity	-
4.	Commission	-
	- as % of profit	-
	- others	-
5.	Others - Employer's contribution to provident fund and other funds (B)	0.04
	Total (A+B)	0.99

VII. Penalties/Punishment/Compounding of Offences (under the Companies Act, 2013): None

Annexure to the Directors' Report *contd.*

Annexure VI

Secretarial Audit Report

For the financial year ended 31st March 2015

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.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 good corporate practices by **Cipla Limited** (hereinafter called 'the Company') for the audit period covering the financial year ended on 31st March 2015 (hereinafter called "audit period"). 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.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit; we hereby report that in our opinion, the Company has, during the audit period generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2015 according to the provisions 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 Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Overseas Direct Investment;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28th October, 2014;
 - (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

Annexure to the Directors' Report *contd.*

We have also examined compliance with the applicable clauses of the Listing Agreement entered into by the Company with the Stock Exchanges.

During the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines etc. mentioned above.

We have also examined, on test check basis, the relevant documents and records maintained by the Company according to the following laws applicable specifically to the Company:

- (i) Drugs and Cosmetics Act, 1940 and Drugs and Cosmetics Rules, 1945;
- (ii) The Narcotic Drugs and Psychotropic Substances Act, 1985 and the Rules made thereunder;
- (iii) Narcotic Drugs and Psychotropic Substances (Regulation of Controlled Substances) Order, 2013.

Based on such examination and having regard to the compliance system prevailing in the Company; the Company has complied with the provisions of the above laws during the audit period.

During the period under review, provisions of the following regulations were not applicable to the Company:

- (i) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (ii) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (iii) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (iv) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (v) Secretarial Standards issued by The Institute of Company Secretaries of India.

We further report that -

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

The provisions pertaining to sending of notices and agenda of the Board Meetings to the Directors as required under the Act have been complied with and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the meetings of the Board of Directors of the Company were carried out unanimously. There were no dissenting views by any member of the Board of Directors during the period under review.

We further report that -

There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, there was no specific event / action having a major bearing on the Company's affairs in pursuance to the laws, rules, regulations, guidelines, etc. referred to above.

For BNP & Associates
Company Secretaries

B Narasimhan
Partner

FCS 1303 / CP No.10440

Mumbai, 9th July, 2015

Annexure to the Directors' Report *contd.*

Annexure VII

Companies which became/ceased to be Company's Subsidiaries, Joint Ventures or Associate Companies:

1. Companies which have become subsidiaries during the financial year 2014-15:

Sr. No.	Name of the Company
1.	Al-Jabal For Drugs and Medical Appliances Company Ltd.
2.	Breathe Free Lanka (Private) Ltd.
3.	Cipla Canada Inc.
4.	Cipla Pharma Lanka (Private) Ltd.
5.	Cipla Pharma Nigeria Ltd.
6.	Jay Precision Pharmaceuticals Pvt. Ltd.
7.	Cipla BioTec Pvt. Ltd. (Formerly known as Mabpharm Pvt. Ltd.)
8.	Medica Pharmaceutical Industries Company Ltd.
9.	Saba Investment Ltd.

2. No company has ceased to be subsidiary company during the financial year 2014-15.
3. No company has become joint venture or associate during the financial year 2014-15.
4. Companies which ceased to be joint venture or associate during the financial year 2014-15.

Sr. No.	Name of the Company
1.	Cipla BioTec Pvt. Ltd. (Formerly known as Mabpharm Pvt. Ltd.): Associate upto 16 th July 2014
2.	Jiangsu Cdymax Pharmaceuticals Co. Ltd.: Divested on 31 st March 2015
3.	Aspen-Cipla Australia Pty. Ltd.: Application for de-registration of the company was made during the financial year 2014-15 and the company was de-registered on 6 th April 2015.

Annexure VIII

Criteria for Determining Qualifications, Positive Attributes and Independence of Director

Qualifications:

- The Director shall be free from any disqualifications as stipulated under the Companies Act, 2013 and rules made thereunder as well as Listing Agreement as amended from time to time.
- The Director shall possess appropriate expertise, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or such other areas related to the Company's business as determined by Nomination and Remuneration Committee.

Positive Attributes:

The Director shall

- uphold ethical standards of integrity and probity;
- act objectively and constructively;
- exercise responsibilities in a bona-fide manner in the interest of the Company;
- assist the Company in implementing the best corporate governance practices.

Independence Criteria:

- An Independent Director shall meet the criteria of independence as stipulated under the Companies Act, 2013 and rules made thereunder as well as Listing Agreement as amended from time to time.
- An Independent Director shall be under the obligation to inform the Board of Directors of any change in circumstances which may affect his/her independence.

Report on Corporate Governance

(Pursuant to Clause 49 of the Listing Agreement with Stock Exchanges)

a. Company's Philosophy on Code of Governance

The Company is committed to good corporate governance. The Company respects the rights of its shareholders to obtain information on the performance of the Company. Its endeavour has always been to maximise the long term value to the shareholders of the Company. The Compliance Report on Corporate Governance herein signifies compliance of all mandatory requirements of Clause 49 of the Listing Agreement.

b. Board of Directors

- During the financial year 2014-15, the Company continued its emphasis to strengthen and broaden the Board with the induction of new independent directors with diverse backgrounds. The independent directors appointed during the financial year were Mr. Adil Zainulbhai (former Chairman, McKinsey, India); Dr. Nachiket Mor (former Deputy Managing Director, ICICI Bank Limited) and Ms. Punita Lal (former CEO, NourishCo, a JV between Pepsico and the Tatas). The independent directors have also been appointed on various board committees based on their expertise. These independent directors have also undergone a formal induction process to familiarise them with the business and operations of the Company. During the financial year 2013-14, the Company appointed Mr. Ashok Sinha (former Chairman and Managing Director, Bharat Petroleum Corporation Limited) and Dr. Peter Mugenyi (Director and Co-founder of Joint Clinical Research Centre based in Kampala, Uganda and a globally renowned researcher in the field of HIV/AIDS) as independent directors. All independent directors are associated with the Company for a tenure of less than 2 years.
- The composition of Board and category of Directors as on date of this Report are as follows:

Category	Name of the Directors
Executive Directors	Mr. Subhanu Saxena Mr. S. Radhakrishnan Mr. Rajesh Garg ⁽¹⁾
Non-Executive/Non-Independent Directors	Dr. Y. K. Hamied Mr. M. K. Hamied
Independent Directors	Mr. Ashok Sinha Dr. Peter Mugenyi Mr. Adil Zainulbhai Ms. Punita Lal ⁽²⁾ Dr. Nachiket Mor ⁽²⁾ Mr. Pankaj Patel ⁽³⁾ Dr. H. R. Manchanda ⁽⁴⁾ Mr. V. C. Kotwal ⁽⁴⁾

(1) Demitted office as a Director, Whole-time Director and Chief Financial Officer w.e.f. close of business hours on 12th June 2015

(2) Appointed as Independent Director w.e.f. 13th November 2014

(3) Resigned w.e.f. 3rd September 2014

(4) Resigned w.e.f. 13th November 2014

- Eight Board Meetings were held during the financial year 2014-15. The dates on which the meetings were held are: 7th April 2014; 29th May 2014; 23rd July 2014; 14th August 2014; 3rd September 2014; 16th October 2014; 13th November 2014 and 12th February 2015.
- In accordance with the provisions of Schedule IV to the Companies Act, 2013 ("the Act") and Clause 49 of the Listing Agreement, a meeting of the Independent Directors of the Company was held during the financial year 2014-15 without the attendance of the Non-Independent Directors and members of the management.

Report on Corporate Governance *contd.*

- The information about the attendance of Directors at the Board Meetings during the financial year 2014-15 and at the last Annual General Meeting and the number of other directorships in Indian companies and committee memberships held in Indian public companies as on 31st March 2015 is given below:

Name of the Director	No. of Board Meetings Attended	Attendance at last AGM held on 3 rd September 2014	No. of Directorships held in other Indian Companies	No. of Committee Memberships/ Chairmanship held in other Indian Public Companies
Dr. Y. K. Hamied	5	Yes	Nil	Nil
Mr. M. K. Hamied	7	Yes	1	Nil
Mr. Subhanu Saxena	8	Yes	Nil	Nil
Mr. S. Radhakrishnan	8	Yes	Nil	Nil
Mr. Rajesh Garg ⁽¹⁾	8	Yes	Nil	Nil
Mr. Ashok Sinha	8	Yes	10	6 (including 3 as Chairman)
Dr. Peter Mugenyi	5	Yes	Nil	Nil
Mr. Adil Zainulbhai ⁽²⁾	5	Yes	6	5 (including 4 as Chairman)
Ms. Punita Lal ⁽³⁾	2	Not Applicable	1	Nil
Dr. Nachiket Mor ⁽³⁾	2	Not Applicable	3	1
Mr. M. R. Raghavan ⁽⁴⁾	2	Not Applicable	Not Applicable	Not Applicable
Mr. Pankaj Patel ⁽⁵⁾	3	Not Applicable	Not Applicable	Not Applicable
Dr. H. R. Manchanda ⁽⁶⁾	5	Yes	Not Applicable	Not Applicable
Mr. V. C. Kotwal ⁽⁶⁾	5	Yes	Not Applicable	Not Applicable

(1) Demitted office as a Director, Whole-time Director and Chief Financial Officer w.e.f. close of business hours on 12th June 2015

(2) Appointed as Independent Director w.e.f. 23rd July 2014

(3) Appointed as Independent Director w.e.f. 13th November 2014

(4) Resigned w.e.f. 23rd July 2014

(5) Resigned w.e.f. 3rd September 2014

(6) Resigned w.e.f. 13th November 2014

- None of the Directors is related to each other except for Dr. Y. K. Hamied and Mr. M. K. Hamied.
- Shareholding of Non-Executive Directors:

As on 31st March 2015, Dr. Y. K. Hamied and Mr. M. K. Hamied - Non-Executive Directors held 12,48,27,750 and 3,96,90,000 equity shares respectively in the share capital of the Company. None of the other Non-Executive Directors hold any equity shares or any convertible instruments in the Company.

- In terms of provisions of the Act read with the Rules made thereunder and Clause 49 of the Listing Agreement, the performance evaluation of Individual Director and the Committees for the financial year ended 31st March 2015 was carried out by the Board of Directors.

The evaluation of the Executive Directors and Non-Executive/Non-Independent Directors was based on criteria which, inter-alia, included leadership qualities, contribution in strategic planning, balanced decision making, safeguard of confidential information, adherence to code of conduct, etc.

The evaluation of the Independent Directors was based on criteria which, inter-alia, included attendance and participation in the meetings, decision making, independent judgement on issues of strategy, performance, risk management, resources, key appointments and standards of conduct, safeguard of confidential information, adherence to code of conduct etc.

Report on Corporate Governance *contd.*

The evaluation of the Board constituted Committees was based on criteria which, inter-alia, included roles and responsibilities, composition and balance of skill sets, number of meetings held, time spent at the meetings, reporting of key issues and major recommendations to the Board of Directors, overall contribution etc.

A structured questionnaire covering various aspects of the functioning of the Board of Directors was circulated to the Directors. The Company had engaged a consulting firm of repute for advising with respect to evaluation of the Board. On the basis of the recommendation of the consulting firm, the performance evaluation of the Board as a whole was completed.

c. Audit Committee

- The Audit Committee was constituted on 4th September 2000 in compliance with the requirements of Clause 49 of the Listing Agreement. The Audit Committee currently comprises of: Mr. Ashok Sinha - Chairman, Mr. Adil Zainulbhai - Member and Mr. S. Radhakrishnan - Member.
- The Executive Director and Global Chief Financial Officer and other functional managers along with Internal Auditors, Statutory Auditors and Cost Auditors are invited to attend the meetings of the Audit Committee, as and when necessary. The Company Secretary acts as Secretary to the Committee.
- The Audit Committee discharges such duties and functions generally indicated under Clause 49 of the Listing Agreement and the Act and also such other functions as may be specifically delegated to it by the Board from time to time.
- Role of the Audit Committee, inter-alia, includes the following:
 - Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
 - Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
 - Reviewing, with the management, the annual financial statement and auditors' report thereon before submission to the Board for approval;
 - Reviewing, with the management, the quarterly financial statement before submission to the Board for approval;
 - Approval or any subsequent modification of transactions of the company with related parties;
 - Scrutiny of inter-corporate loans and investments;
 - Valuation of undertakings or assets of the company, wherever it is necessary.
- Meetings and attendance during the financial year 2014-15:

Six Audit Committee meetings were held during the financial year. The dates on which the said meetings were held are: 29th May 2014; 14th August 2014; 25th September 2014; 13th October 2014; 13th November 2014 and 10th February 2015. The members attended all the meetings held during their tenure as members of the Committee during the financial year except Mr. S. Radhakrishnan who attended 5 out of 6 meetings.

d. Nomination and Remuneration Committee

- The Company had constituted a Compensation Committee on 27th February 2013.
The Compensation Committee was re-designated as Nomination and Remuneration Committee during the financial year. In accordance with the provisions of section 178 of the Act and based on legal advice, the Committee was reconstituted to consist of only non-executive directors effective 22nd July 2014.
- The Committee currently comprises of: Mr. Adil Zainulbhai - Chairman, Mr. Ashok Sinha - Member, Mr. M. K. Hamied - Member and Ms. Punita Lal - Member.

Report on Corporate Governance *contd.*

- The terms of reference of the Committee, inter-alia, includes the following:
 - Implementation, administration and superintendence of the Company's Employee Stock Option Schemes (ESOS) including:
 - a. The quantum of options to be granted under an ESOS per employee and in aggregate;
 - b. Allotment of equity shares pursuant to ESOS;
 - Formulate the criteria for determining qualifications, positive attributes and independence of Directors;
 - Recommend to the Board a policy relating to the remuneration for the Directors, Key Managerial Personnel and other employees;
 - Recommend remuneration of Managing Director and Global Chief Executive Officer, Executive Director and Global Chief Financial Officer, Whole-time Director and relative of promoters;
 - Recommend commission to Non-Executive Directors;
 - Identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal;
 - Evaluation of each Director's performance;
 - Discharge such duties and functions as indicated in the listing agreement, the Act and the Rules made thereunder from time to time.
- Meetings and attendance during the financial year 2014-15:

Five meetings of the Committee were held during the financial year. The dates on which the said meetings were held are: 29th May 2014; 23rd July 2014; 8th September 2014; 31st October 2014 and 11th February 2015. Mr. Ashok Sinha attended 4 out of 5 meetings held during the financial year. The other members attended all the meetings held during their tenure as members of the Committee except Mr. M. R. Raghavan who attended 1 out of 2 meetings.

e. Remuneration to Directors

- The details of remuneration to Executive Directors during the financial year 2014-15 are given below:

₹ in lakhs

Executive Directors	Salary	Commission	Perquisites and Allowances	Retiral Benefits ⁽²⁾	Sign on Bonus	Variable Bonus
Mr. Subhanu Saxena	208.58	Nil	762.26	25.03	Nil	334.92
Mr. S. Radhakrishnan	120.00	141.50	92.76	14.40	Nil	Nil
Mr. Rajesh Garg ⁽¹⁾	121.26	Nil	259.61	14.55	50.00	52.50

(1) Demitted office as a Director, Whole-time Director and Chief Financial Officer w.e.f. close of business hours on 12th June 2015

(2) Exclusive of provision for leave encashment and contribution to the approved Group Gratuity Fund, which are actuarially determined on an overall basis

- Variable bonus is determined by the Board of Directors on the basis of recommendation of Nomination and Remuneration Committee.
- No stock options were granted to the Executive Directors during the financial year 2014-15.
- Service Contracts, Notice Period and Severance Fees:

The period of appointment of Mr. Subhanu Saxena is for a term of 5 years from the date of appointment. The appointment can be terminated by either party by giving not less than six months' prior notice in

Report on Corporate Governance *contd.*

writing to the other party or pro-rata basic salary in lieu of notice. The severance fees shall be as per the terms and conditions laid down in the employment agreement entered into with him.

The period of appointment of Mr. S. Radhakrishnan is for a term of 5 years from the date of appointment. The appointment can be terminated by either party by giving not less than three months' prior notice in writing to the other party. There is no separate provision for payment of severance fees.

Mr. Rajesh Garg was appointed as Whole-time Director of the Company designated as "Executive Director and Global Chief Financial Officer" for a period of 5 years commencing from 1st April 2014. Mr. Rajesh Garg demitted office as a Director, Whole-time Director and Chief Financial Officer with effect from close of business hours on 12th June 2015. The severance fees shall be as per the terms and conditions laid down in the employment agreement entered into with him.

- The details of remuneration to Non-Executive Directors during the financial year 2014-15 are given below:

₹ in lakhs

Non-Executive Directors	Sitting Fees*	Commission
Dr. Y. K. Hamied	0.90	200.00
Mr. M. K. Hamied	2.80	200.00
Mr. Ashok Sinha	2.90	42.25
Dr. Peter Mugenyi	0.90 [#]	40.00 [#]
Mr. Adil Zainulbhai	1.90	27.75
Dr. Nachiket Mor	0.80	11.50
Ms. Punita Lal	0.80	11.75
Dr. H. R. Manchanda	1.30	18.75
Mr. V. C. Kotwal	0.50	18.75
Mr. M. R. Raghavan	0.40	11.25
Mr. Pankaj Patel	0.70	13.25

* The above figures are inclusive of fees paid for attendance of committee meetings.

[#] USD equivalent to INR amount paid to the Director

- The Commission payable to Non-Executive Directors is determined by the Board of Directors on the basis of recommendation of the Nomination and Remuneration Committee.
- Apart from sitting fees and commission, there are no pecuniary payments by the Company to Non-Executive Directors during the year.
- Remuneration Policy**

The Board of Directors approved the Remuneration Policy on the recommendation of the Nomination and Remuneration Committee. The salient aspects of the Remuneration Policy are outlined below:

Objective

The primary objective of the Remuneration Policy is to ensure that:

- level and composition of remuneration is reasonable and sufficient to attract, retain and motivate right talent at all levels to run the Company successfully;
- relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

Report on Corporate Governance *contd.*

Scope

The policy is divided into separate sections for Directors, Key Managerial Personnel, members of Senior Management and other employees of the Company. It does not cover temporary or contractual employees, trainees, apprentices, consultants engaged on a retainer basis or otherwise and casual labour.

I. Directors

A. Remuneration to Managing Director/Whole-time Director

The Managing Director/Whole-time Director are appointed for a fixed tenure as approved by the shareholders and such appointments are renewable upon expiry of the tenure subject to recommendation by the Nomination and Remuneration Committee and approval of the Board of Directors, shareholders and other authorities as the case may be.

The remuneration to the Managing Director/Whole-time Director shall be in accordance with their employment agreement/letter of appointment and within the overall limit prescribed under the Act and approved by the shareholders. The key components of remuneration package shall include fixed salary, perquisites, allowances, joining bonus, variable bonus, commission, retiral benefits, other benefits in accordance with the market practice and industry analysis depending upon the criticality of the role.

Managing Director/Whole-time Director are also eligible for grant of stock options under the Employee Stock Option Scheme framed/to be framed, where deemed fit, as decided by the Nomination and Remuneration Committee from time to time.

The Managing Director/Whole-time Director shall be covered under the Directors and Officers Liability Insurance (D&O) Policy.

Annual increments shall be linked to their overall performance, Company performance, future plans, market practice and environment and any other relevant factors as per the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors within the limits approved by the shareholders.

B. Remuneration to Non-Executive Directors

Non-Executive Directors are paid sitting fees for attending meetings of the Board or the Committees thereof at the rate of ₹50,000 per meeting or such fees as may be decided by the Board from time to time within the limits prescribed under the Act.

Non-Executive Directors may be entitled to Commission on profits within the limits prescribed under the Act and approved by the shareholders as per the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors.

As Non-Executive Chairman/Vice Chairman play a key role at the Board, are members of key committees, contributes as a visionary and represents business interest of the Company at various forums, they may be paid Commission higher than the other Non-Executive Directors as per the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors.

Grant of stock options, where deemed fit, under the Employee Stock Option Scheme framed/to be framed and as decided by the Nomination and Remuneration Committee.

Non-Executive Independent Directors are not entitled to any stock options.

Non-Executive Directors shall be entitled to reimbursement of expenses for participation in the Board and other meetings.

The Non-Executive Directors shall be covered under the Directors and Officers Liability Insurance (D&O) Policy.

Report on Corporate Governance *contd.*

II. Remuneration to Key Managerial Personnel (not being a Board member)

The appointment and remuneration to Key Managerial Personnel of the Company (not being a Board member) shall be decided by the Board of Directors as per the recommendation of the Nomination and Remuneration Committee after taking into account educational and professional qualification, experience, expertise, roles and responsibilities required for the position and competitive market practices.

The key components of remuneration package of the Key Managerial Personnel shall inter-alia include Fixed Salary; Perquisites, Allowances and Retiral benefits; Performance-linked bonus by whatever named called shall be a cumulative outcome of both the individual target achievement level as well as the Company's performance; Grant of stock options as decided by the Nomination and Remuneration Committee and such other benefits in accordance with the market practices.

The Key Managerial Personnel shall be covered under the Directors and Officers Liability Insurance (D&O) Policy.

Annual increments shall be linked to the Company's performance, individual performance, market environment and as per the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors.

III. Remuneration to Senior Management

The appointment and remuneration of Senior Managerial personnel of the Company shall be decided by the Nomination and Remuneration Committee after taking into account educational and professional qualification, experience, expertise, roles and responsibilities required for the position and competitive market practices.

The key components of remuneration package of the Senior Management Personnel shall inter-alia include Fixed Salary; Perquisites, Allowances and Retiral benefits; Performance-linked bonus by whatever named called shall be a cumulative outcome of both the individual target achievement level as well as the Company's performance; Grant of stock options as decided by the Nomination and Remuneration Committee; Such other benefits in accordance with the market practices.

Annual increments shall be linked to the Company's performance, individual performance, market environment, future plans and as decided by the Nomination and Remuneration Committee in consultation with the Managing Director or CEO as the case may be.

IV. Remuneration to other Employees

The remuneration to other employees shall be based on the experience, qualification, expertise of the individual employee as well as the roles and responsibilities required for the position.

The elements of the remuneration structure of other employees inter-alia include Fixed Salary; Perquisites, Allowances and Retiral benefits; Performance-linked bonus, by whatever named called, where deemed fit; Grant of stock options as decided by Nomination and Remuneration Committee; Such other benefits in accordance with market practices and relevant factors, where deemed fit.

Annual increments for the other employees shall be linked to the individual's overall performance and as decided by the Human Resources Department within the overall framework of performance management scheme(s) as approved by the Managing Director/Chief Executive Officer from time to time.

f. Stakeholders Relationship Committee

- The Company has a Stakeholders Relationship Committee to attend to and address the grievances of the security holders as and when received. During the year under review, the Share Committee of the Company was dissolved and the terms of reference of the Stakeholders Relationship Committee was expanded to inter-alia approve transfer, transmission, issue of duplicate share certificates and allied matters.

Report on Corporate Governance *contd.*

- The Executive Directors and the Company Secretary, under the authority of the Board, are severally authorised to approve transfer, transmission, transposition requests, etc., upto a specified limit which are noted at subsequent meetings of the Stakeholders Relationship Committee.
- The Company's Share Transfer Agents, Karvy Computershare Private Limited have adequate infrastructure to process the above matters.
- In compliance with the requirement of Listing Agreement, periodic certificates issued by a Practising Company Secretary are filed with the Stock Exchanges.
- The Stakeholders Relationship Committee currently comprises of Mr. M. K. Hamied – Chairman; Mr. S. Radhakrishnan – Member and Dr. Nachiket Mor – Member.
- Four meetings of the Stakeholders Relationship Committee were held during the year. The dates on which the said meetings were held are: 15th May 2014; 14th August 2014; 13th November 2014 and 11th February 2015. The members attended all the meetings held during their tenure as members of the Committee except Dr. H. R. Manchanda who attended 2 out of 3 meetings.
- Mr. Mital Sanghvi, Company Secretary acts as the Company's Compliance Officer. The Company attends to the shareholders'/investors' grievances/correspondence expeditiously. During the financial year under review, 44 investor grievances were received and all of them have been resolved.

g. Risk Management Committee

- The Risk Management Committee was constituted by the Board of Directors on 29th September 2014 adhering to the requirements of Clause 49 of the Listing Agreement. The Committee's prime responsibility is to monitor and review the risk management plan and to discharge such other functions as may be delegated to the Committee by the Board from time to time.
- During the financial year, the Committee comprised of Mr. Subhanu Saxena – Chairman, Mr. S. Radhakrishnan – Member and Mr. Rajesh Garg – Member.
- One meeting of the Committee was held during the financial year on 10th February 2015 and attended by all the Committee members.

h. Corporate Social Responsibility Committee

- The Corporate Social Responsibility Committee was constituted by the Board of Directors on 13th March 2014 adhering to the requirements of the Act.
- The Committee currently comprises of Mr. M. K. Hamied – Chairman, Mr. S. Radhakrishnan – Member, Mr. Adil Zainulbhai – Member, Ms. Punita Lal – Member, Dr. Nachiket Mor – Member and Mr. Subhanu Saxena – Member.
- The terms of reference of the Committee, inter-alia, include the following:
 - Formulate and recommend to the Board, the Corporate Social Responsibility Policy and the activities to be undertaken by the Company.
 - Recommend the amount of expenditure to be incurred on the activities.
 - Monitor the Corporate Social Responsibility Policy from time to time.
 - Discharge such duties and functions as indicated in Section 135 of the Act and Rules made thereunder from time to time and such other functions as may be delegated to the Committee by the Board from time to time.
 - Take all necessary actions as may be necessary or desirable and also to settle any question or difficulty or doubts that may arise with regards to Corporate Social Responsibility activities/Policy of the Company.

Report on Corporate Governance *contd.*

- Two meetings of the Committee were held during the financial year. The dates on which the said meetings were held are: 13th August 2014 and 11th February 2015. The members attended all the meetings held during their tenure as members of the Committee.

i. Mergers & Acquisitions Committee

- The Mergers & Acquisitions Committee was constituted by the Board of Directors on 7th April 2014.
- The terms of reference of the Committee inter-alia includes granting in-principle approval for acquisitions/divestments to be made by the Company/subsidiary companies upto a certain limit, approval for setting up of branch/representative office and discharge such other duties/functions as may be delegated to the Committee by the Board.
- During the financial year, the Committee comprised of Mr. Subhanu Saxena – Chairman, Mr. S. Radhakrishnan – Member, Mr. Ashok Sinha – Member and Mr. Rajesh Garg – Member.
- Three meetings of the Committee were held during the financial year. The dates on which the said meetings were held are: 13th October 2014; 11th February 2015 and 30th March 2015. The members attended all the meetings held during the financial year except Mr. S. Radhakrishnan who attended 2 out of 3 meetings.

j. General Body Meetings

- Annual General Meeting:

Financial Year	Date	Venue	Time
2011-12	17 th August 2012	Rama Watumull Auditorium, K. C. College, Dinshaw Wacha Road, Churchgate, Mumbai-400 020	3.00 p.m.
2012-13	22 nd August 2013	Y. B. Chavan Auditorium, General Jagannath Bhosale Marg, Mumbai-400 021	
2013-14	3 rd September 2014		

- No Special Resolution was passed at the Annual General Meeting of the Company held on 17th August 2012.
- The following Special Resolutions were passed at the Annual General Meeting of the Company held on 22nd August 2013:
 - Appointment of Mr. Subhanu Saxena as Managing Director of the Company designated as “Managing Director and Global Chief Executive Officer” for a period of five years commencing from 16th July 2013 and concluding on 15th July 2018.
 - Appointment of Mr. M. K. Hamied as Whole-time Director of the Company designated as “Executive Vice-Chairman” for a period of two years commencing from 16th July 2013 and concluding on 15th July 2015.
 - Revision in terms of remuneration of Mr. Kamil Hamied, a relative of Mr. M. K. Hamied, Director.
 - Revision in terms of remuneration of Ms. Samina Vaziralli, a relative of Mr. M. K. Hamied, Director.
 - Issuance of upto 84,44,528 stock options to the employees of the Company under Employee Stock Option Scheme 2013-A (“ESOS 2013-A”).
 - Issuance of stock options to the employees of Subsidiary Companies under Employee Stock Option Scheme 2013-A (“ESOS 2013-A”).
 - Issuance of 5,22,194 stock options to Mr. Rajesh Garg under Employee Stock Option Scheme 2013-B (“ESOS 2013-B”).

Report on Corporate Governance *contd.*

- h) Payment of Commission not exceeding in aggregate, 1% per annum of Company's Net Profits, to Non-Executive Directors of the Company for a period of five financial years commencing from 1st April 2013.
- No Special Resolution was passed at the Annual General Meeting of the Company held on 3rd September 2014.
- Postal Ballot

- During the year under review, the Company obtained the approval of the members, through postal ballot on the following items:

Sr. No.	Description	Type of Resolution	% of votes in favour	% of votes against
1	Appointment of Ms. Punita Lal as an Independent Director	Ordinary Resolution	99.990%	0.010%
2	Appointment of Dr. Nachiket Mor as an Independent Director	Ordinary Resolution	99.991%	0.009%

- Voting rights were reckoned on the paid-up value of equity shares registered in the name of the members as on Friday, 14th November 2014.
- The voting period commenced from 10.00 a.m. on Wednesday, 10th December 2014 and ended on 6.00 p.m. on Thursday, 8th January 2015.
- Mr. B. Narasimhan, Practising Company Secretary, was appointed as Scrutinizer for conducting the postal ballot process.
- Both the aforesaid resolutions were passed with requisite majority on 12th January 2015.
- None of the business proposed to be transacted at the ensuing Annual General Meeting require passing of resolution through Postal Ballot.

k. Disclosures

- During the financial year 2014-15, there was no materially significant transaction entered into between the Company and its Promoters, Directors or the Management, subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large. Further details of related party transactions are presented in Notes to the financial statements.
- 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. In absence of any non-compliance by the Company, there were neither any penalties imposed nor any strictures passed on the Company by the Stock Exchanges, SEBI or any other statutory authority.
- The Company always believes in upholding professional integrity and ethical behaviour in the conduct of its business. To uphold and promote these standards, the Company has formulated Vigil Policy which serves as a mechanism for its Directors and employees to report genuine concerns about unethical behaviour, actual or suspected fraud or violation of the Code of Conduct without fear of reprisal. During the financial year, no employee was denied access to the Audit Committee.
- The Company has fulfilled the following non-mandatory requirements as prescribed in Clause 49 of the Listing Agreement:

Report on Corporate Governance *contd.*

- The Company is in the regime of unqualified financial statements.
- Dr. Y. K. Hamied is the Chairman of the Company and Mr. Subhanu Saxena is the Managing Director and Global Chief Executive Officer of the Company. The Company has complied with the requirement of having separate persons to the post of Chairman and Managing Director/CEO.
- Internal audit function reports directly to the Audit Committee.

I. Code of Conduct

The Code of Conduct for the Directors and Senior Management of the Company has been laid down by the Board and the same is posted on the website of the Company. Mr. Subhanu Saxena, Managing Director and Global Chief Executive Officer has declared that the Board Members and Senior Management have affirmed compliance with the Code of Conduct of the Company.

m. CEO and CFO Certification

The CEO/CFO of the Company have certified positively to the Board on the matters specified under Clause 49(IX) of the Listing Agreement.

n. Means of Communication

- The half yearly/quarterly results are published in the newspapers (Mumbai edition) and are not being sent to each household of shareholders.
- The results are usually published in the following newspapers: The Economic Times; Navbharat Times; The Financial Express; Business Standard; The Hindu Business Line; and Sakaal.
- The annual/half yearly/quarterly results and other official news releases are displayed on the website of the Company – www.cipla.com
- Presentations made to the institutional investors and financial analysts on the Company's financial results are uploaded on the Company's website.
- The Management Discussion and Analysis Report forms part of the Directors' Report.

Report on Corporate Governance *contd.*

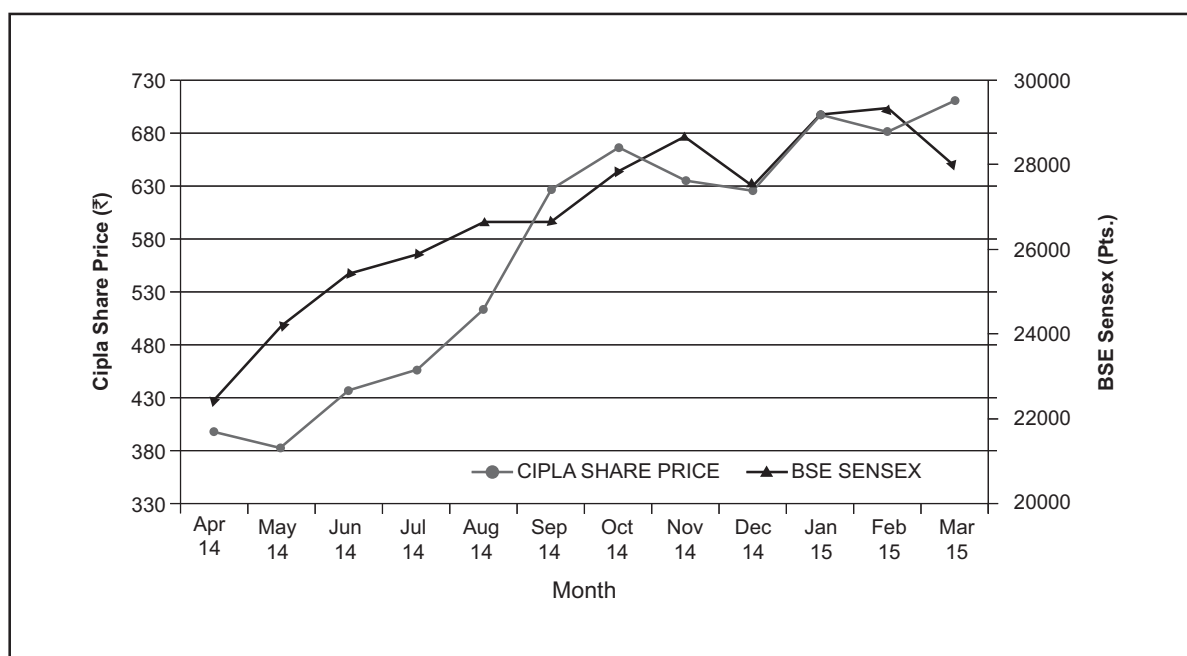
o. General Shareholder Information

- Date, Time and Venue of the AGM : Thursday, 27th August 2015 at 3.00 p.m.
Y. B. Chavan Auditorium, General Jagannath Bhosale Marg,
Mumbai-400 021
- Financial Calendar : 1st day of April to 31st day of March in the
next calendar year
- Adoption of Financial Results
(tentative)
 - For the quarter ending 30th June 2015 : 2nd week of August 2015
 - For the quarter and half year ending
30th September 2015 : 1st week of November 2015
 - For the quarter and nine months
ending 31st December 2015 : 2nd week of February 2016
 - For the financial year ending
31st March 2016 : 3rd / 4th week of May 2016
- Date of Book Closure : 13th August 2015 to 27th August 2015
(both days inclusive)
- Dividend Payment Date : Will be dispatched / credited on or after 1st September
2015
- Corporate Identity Number (CIN) : L24239MH1935PLC002380
- Listing on Stock Exchanges : Equity Shares: BSE Limited and National Stock Exchange of
India Limited.
Global Depository Receipts (GDRs): Luxembourg Stock
Exchange
The Company has paid the requisite annual listing fees to
the above stock exchanges for the financial year 2015-16.
- Stock Code : 500087 on BSE Limited
CIPLA EQ on National Stock Exchange of India Limited
- ISIN Number for NSDL & CDSL : INE059A01026
- Market Price Data : The high and low prices of every month during the
financial year 2014-15 are given hereinafter. The
Company's market capitalisation is included in the
computation of BSE Sensex and S&P CNX NIFTY Index.

Report on Corporate Governance *contd.*

Financial year (2014-15)	BSE Limited			National Stock Exchange of India Limited		
	High (₹)	Low (₹)	Number of Shares Traded	High (₹)	Low (₹)	Number of Shares Traded
April	409.30	380.25	4224455	410.10	379.15	23448661
May	425.00	368.70	4974003	425.00	367.50	36170269
June	445.00	381.90	5838283	445.00	381.20	39710410
July	462.65	425.90	3188429	463.35	425.25	26215684
August	517.10	430.35	3212232	517.40	430.00	30315365
September	639.05	515.00	6540955	639.10	514.70	60134927
October	671.95	571.05	3018933	673.00	570.20	31542377
November	670.50	593.25	3683322	671.00	593.00	33966377
December	667.55	598.25	3441988	667.30	597.80	32937520
January	711.45	604.80	3150922	711.90	604.50	29556580
February	706.00	624.00	5252889	706.50	623.45	32411497
March	752.45	681.45	3870548	752.85	681.35	37380515

- Performance in comparison to BSE SENSEX – Financial year 2014-15



Report on Corporate Governance *contd.*

- Address for Correspondence

All communications with regard to transfer, transmission, National Electronic Clearing Service (NECS), dividend, dematerialisation, etc. should be addressed to the Share Transfer Agents viz. Karvy Computershare Private Limited.

Share Transfer Agents : Karvy Computershare Private Limited
(Unit: Cipla Limited)
Karvy Selenium Tower B, Plot No.: 31 & 32, Gachibowli, Financial District,
Nanakramguda, Serilingampally, Hyderabad, Telangana – 500032
Tel: (040) 6716 2222 / 6716 1511
Fax: (040) 2300 1153
E-mail: einward.ris@karvy.com
Website: www.karvy.com

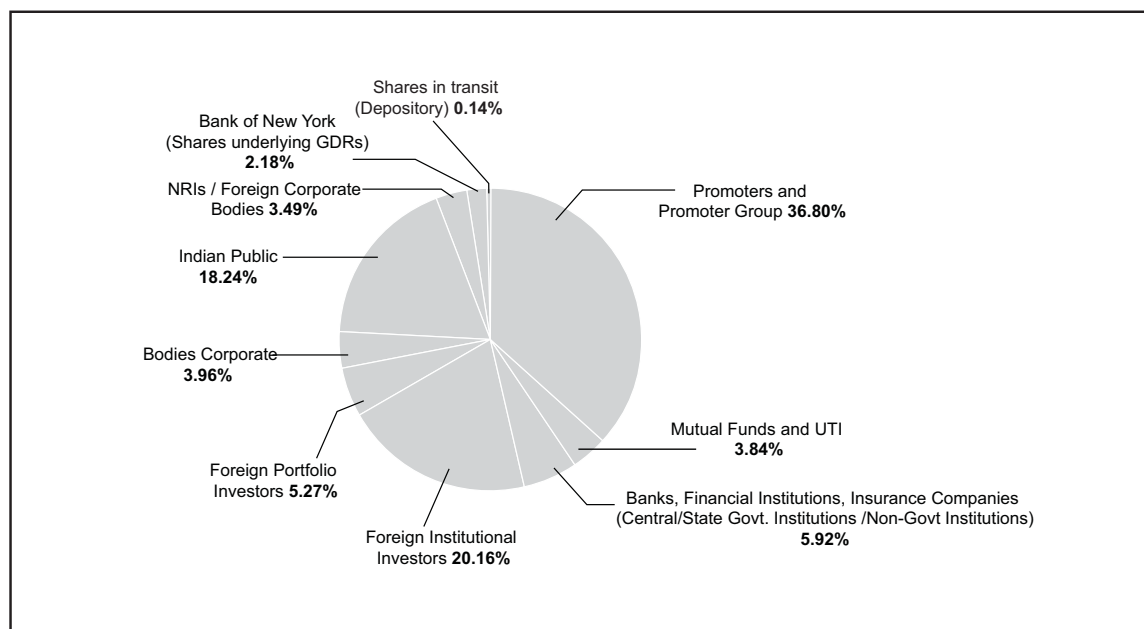
Company : Shares Department
Cipla House,
Peninsula Business Park,
Ganpatrao Kadam Marg,
Lower Parel
Mumbai-400 013
Tel: (022) 24826000/24826951
Fax: (022) 24826893
E-mail: cosecretary@cipla.com
Website: www.cipla.com

- Distribution of shareholding as on 31st March 2015 (Class-wise distribution of Equity Shares)

Shareholding	No. of Folios	% of Total	No. of Shares	% of Total
1-2500	159534	97.23	22960484	2.86
2501-5000	1523	0.93	5644179	0.70
5001-10000	912	0.55	6749814	0.84
10001-15000	419	0.26	5193525	0.65
15001-20000	222	0.14	3902494	0.49
20001-25000	182	0.11	4137296	0.52
25001-50000	419	0.26	15206383	1.89
Above 50000	861	0.52	739166265	92.05
Total	164072	100.00	802960440	100.00
Physical Mode	1395	0.85	62091765	7.73
Electronic Mode	162677	99.15	740868675	92.27

Report on Corporate Governance *contd.*

- Shareholding Pattern as on 31st March 2015



- Dematerialisation of Shares and Liquidity

As on 31st March 2015, 92.27 percent of the share capital was held in dematerialised form.

As to the liquidity, equity shares of the Company are traded in the 'A'/Forward group and have been included in the SENSEX at BSE Limited. They are also included in S&P CNX NIFTY of National Stock Exchange of India Limited. They are among the select scrips in which derivatives trading has been permitted in the form of stock futures and stock options.

- Outstanding GDRs/ADRs/Warrants

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 2015, 1,75,18,445 GDRs were outstanding.

The Company has not issued any American Depository Receipts (ADRs)/Warrants.

The Company has granted stock options to its employees and those of its subsidiaries under the Employee Stock Option Scheme(s). The Company allots equity shares from time to time on exercise of stock options by the employees pursuant to the provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the terms and conditions of the respective Employee Stock Option Scheme(s).

Report on Corporate Governance *contd.*

- Plant Locations
 - i. Virgonagar, Old Madras Road, Bengaluru-560 049, Karnataka
 - ii. Bommasandra-Jigani Link Road, Industrial Area, KIADB 4th Phase, Bengaluru-560 099, Karnataka
 - iii. MIDC, Patalganga-410 220, District: Raigad, Maharashtra
 - iv. MIDC Industrial Area, Kurkumbh-413 802, Daund, District: Pune, Maharashtra
 - v. Verna Industrial Estate, Verna-403 722, Salcette, Goa
 - vi. Village Malpur Upper, P.O. Bhud, Nalagarh, Baddi-173 205, District: Solan, Himachal Pradesh
 - vii. Village Kumrek, Rangpo-737 132, District : East Sikkim, Sikkim
 - viii. Indore SEZ, Phase II, Sector III, Pharma Zone, P.O. Pithampur-454 774, District: Dhar, Madhya Pradesh

On behalf of the Board,

Y. K. Hamied
Chairman

9th July 2015

Certificate on Compliance with Clause 49 of the Listing Agreement

To the Members of Cipla Limited,

I have examined the compliance by Cipla Limited ("the Company") of the requirements under Clause 49 of the Listing Agreement, entered into by the Company with the Stock Exchanges, for the year ended 31st March 2015.

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.

The compliance of conditions of Corporate Governance is the responsibility of the management of the Company. My examination was limited to procedures adopted, and implementation thereof, by the Company for ensuring compliance with the conditions of Corporate Governance under Clause 49. The examination is neither an audit nor an expression of opinion on the financial statements of the Company.

I 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.

Dr. K. R. Chandratre
Practising Company Secretary
FCS No. 1370
Certificate of Practice No. 5144
Pune, 30th June 2015

Independent Auditors' Report

To the Members of Cipla Limited

Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of Cipla Limited ("the Company"), which comprises the Balance Sheet as at 31st March 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in sub-section (5) of section 134 of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes 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 frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.
5. We conducted our audit in accordance with the Standards on Auditing specified under sub-section (10) of section 143 of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

8. 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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2015, and its profits and its cash flows for the year ended on that date.

Independent Auditors' Report *contd.*

Report on Other Legal and Regulatory Requirements

9. As required by the Companies (Auditor's Report) Order 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.
10. As required by sub-section (3) of section 143 of the Act, we report 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 purposes of our audit;
 - 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;
 - c. the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e. on the basis of the written representations received from the directors as on 31st March 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2015 from being appointed as a director in terms of sub-section (2) of section 164 of the Act;
 - f. 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, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Notes 36, 37 & 38 to the financial statements;
 - ii. the Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For V. Sankar Aiyar & Co.
Chartered Accountants
Firm Reg No. 109208W

V. Mohan
Partner
Membership No. 17748

Mumbai, 29th May 2015

For R.G.N. Price & Co.
Chartered Accountants
Firm Reg No. 002785S

R. Rangarajan
Partner
Membership No. 41883

Mumbai, 29th May 2015

Annexure to the Independent Auditors' Report

(Referred to under the heading of "Report on Other Legal and Regulatory Requirements" of our Independent Auditors Report to the Members of Cipla Limited on the Standalone Financial Statements for the year ended 31st March 2015)

1. a. The Company has generally maintained proper records showing full particulars, including quantitative details and situation of fixed assets, other than situation of furniture and fixtures and office equipments where the situation recorded is the location of the Company's different establishments.
- b. The Company has a policy of physically verifying its fixed assets in a phased manner to cover all the assets of the Company in a block of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its business. During the year, some of the fixed assets have been physically verified by the Management and discrepancies noticed during the physical verification, which were not material, have been appropriately dealt with in the books of account.
2. a. The inventory has been physically verified by the Management at reasonable intervals during the year. The verification was done on the basis of the perpetual inventory system operated by the Company. In case of materials lying with third parties, certificates confirming such inventory have been obtained by the Company from most of the third parties.
- b. In our opinion and on the basis of the information and explanations given to us, the procedures for physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c. On the basis of our examination of the inventory records, in our opinion, the Company has maintained proper records of inventory. The discrepancies noticed on physical verification of inventory, as compared with the book records, were not material and have been properly dealt with in the books of account.
3. According to the information and explanations provided to us, the Company has granted unsecured loans aggregating to ₹277.60 crore to two parties covered by the Register maintained under section 189 of the Act and amount outstanding from these parties at the end of the year totalled to ₹259.15 crore which are repayable within 3 to 6 years. Out of these, interest free unsecured loans totalling to ₹224.15 crore were given to a wholly owned subsidiary prior to 1st April 2014. Receipt of principal and interest wherever applicable is regular as stipulated.
4. In our opinion and according to the information and explanations given to us, having regard to the explanation that purchase of certain items of inventory and fixed assets are for the Company's specialized requirements and similarly, certain goods sold are for the specialized requirements of the buyers and suitable alternate sources are not available to obtain comparable quotations there is generally adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory & fixed assets and for the sale of goods & services. In our opinion and according to the information and explanations given to us, we have not observed any major weakness during the course of audit.
5. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder.
6. 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 under sub-section (1) of section 148 of the Act in respect of its products and are of the opinion that, *prima facie*, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the accounts and records with a view to determine whether these are accurate or complete.
7. a. According to the information and explanations provided to us and the records of the Company examined by us, in our opinion, the Company was regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and any other material statutory dues applicable to it with the appropriate authorities. There were no undisputed arrears that were outstanding as at 31st March 2015 for a period of more than six months from the date they became payable.
- b. According to the information and explanations given to us and based on the records of the Company

Annexure to the Independent Auditors' Report *contd.*

examined by us, as on 31st March 2015, there were no dues in respect of Wealth Tax, Income Tax, Service Tax, Customs Duty, Cess that have not been deposited with the appropriate authorities on account of dispute.

The particulars of dues towards Excise Duty, Sales Tax and Service Tax that have not been deposited on account of dispute as at 31st March 2015 and the forum where these disputes are pending are as follows:

Name of the statute	Nature of dues	Financial years to which the matter pertains	Forum where the dispute is pending	Amount ₹ in crore
The Central Excise Act, 1944	Excise Duty	2000-01 to 2012-13	CESTAT/High Court	76.67
Finance Act, 1994	Service Tax	2003-04 to 2012-13	Commissioner	25.09
State Sales Tax Acts	Sales Tax	2001-02 to 2013-14	State Sales Tax Tribunal/ Joint Commissioner	5.66

- c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder have been transferred to such fund within time.
8. The Company does not have accumulated losses at the end of the financial year and has not incurred cash losses in the financial year under report or in the immediately preceding financial year.
9. According to the information and explanations given to us and based on our audit procedures, the Company has not defaulted in repayment of dues to any financial institution or bank.
10. According to the information and explanations given to us and the representations made by the Management, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
11. The Company has not availed any term loan during the year.
12. During the course of our examination of the books of account and records of the Company and according to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported by the Company during the year.

For V. Sankar Aiyar & Co.
Chartered Accountants
Firm Reg No. 109208W

V. Mohan
Partner
Membership No. 17748

Mumbai, 29th May 2015

For R.G.N. Price & Co.
Chartered Accountants
Firm Reg No. 002785S

R. Rangarajan
Partner
Membership No. 41883

Mumbai, 29th May 2015

Balance Sheet

As at 31 st March 2015	Notes	2015	₹ in crore 2014
Equity and Liabilities			
Shareholders' Funds			
Share Capital	2	160.59	160.58
Reserves and Surplus	3	10929.56	9931.06
Non-Current Liabilities			
Long Term Borrowings	4	0.41	0.43
Deferred Tax Liabilities	5	330.59	311.20
Other Long Term Liabilities	6	40.00	30.00
Long Term Provisions	7	151.93	73.99
Current Liabilities			
Short Term Borrowings	8	1380.20	876.91
Trade Payables	9	1496.60	962.56
Other Current Liabilities	10	352.42	333.20
Short Term Provisions	11	349.52	244.07
		15191.82	12924.00
Assets			
Non-Current Assets			
Fixed Assets			
Tangible Assets	12	3468.33	3519.59
Intangible Assets	12	125.29	4.60
Capital Work-in-Progress		339.00	319.64
Intangible Assets under Development		21.71	57.05
Non-Current Investments	13	4036.99	3328.28
Long Term Loans and Advances	14	576.71	535.30
Other Non-Current Assets	15	65.13	61.57
Current Assets			
Current Investments	16	384.11	258.85
Inventories	17	3289.20	2511.16
Trade Receivables	18	2058.91	1728.10
Cash and Bank Balances	19	82.76	46.04
Short Term Loans and Advances	20	589.96	515.56
Other Current Assets	21	153.72	38.26
		15191.82	12924.00
Notes to the Accounts	1 to 45		
As per our report of even date			
For V. Sankar Aiyar & Co., Chartered Accountants Firm Reg. No. 109208W	For R.G.N. Price & Co., Chartered Accountants Firm Reg. No. 002785S	Subhanu Saxena Managing Director and Global Chief Executive Officer	Rajesh Garg Executive Director and Global Chief Financial Officer
V. Mohan Partner Membership No. 17748	R. Rangarajan Partner Membership No. 41883		Mital Sanghvi Company Secretary
Mumbai, 29 th May 2015			Mumbai, 29 th May 2015

Statement of Profit and Loss

For the year ended 31 st March 2015		Notes	2015	₹ in crore 2014
Income				
Revenue from Operations (Gross)	22		10224.72	9556.02
Less: Excise Duty			92.94	99.12
Revenue from Operations (Net)			10131.78	9456.90
Other Income	23		147.91	280.28
			10279.69	9737.18
Expenditure				
Cost of Materials Consumed	24a		3426.74	3145.34
Purchases of Stock-in-Trade	24b		903.41	773.40
Changes in Inventories of Finished Goods, Work-in-Process and Stock-in-Trade	24c		(349.05)	(158.12)
Employee Benefits Expense	25		1505.58	1284.75
Finance Costs	26		136.05	127.86
Depreciation and Amortisation Expense	27		433.20	323.61
Other Expenses	28		2683.79	2422.00
			8739.72	7918.84
Profit Before Tax			1539.97	1818.34
Tax Expense				
Current Tax			318.78	400.00
Deferred Tax			40.10	30.00
Profit for the Year			1181.09	1388.34
Earnings per share of face value of ₹2 each				
Basic	42		₹14.71	₹17.29
Diluted	42		₹14.66	₹17.27
Notes to the Accounts	1 to 45			
As per our report of even date				
For V. Sankar Aiyar & Co., Chartered Accountants Firm Reg. No. 109208W	For R.G.N. Price & Co., Chartered Accountants Firm Reg. No. 002785S	Subhanu Saxena Managing Director and Global Chief Executive Officer	Rajesh Garg Executive Director and Global Chief Financial Officer	
V. Mohan Partner Membership No. 17748	R. Rangarajan Partner Membership No. 41883		Mital Sanghvi Company Secretary	
Mumbai, 29 th May 2015			Mumbai, 29 th May 2015	

Cash Flow Statement

For the year ended 31 st March 2015		2015	2014
		₹ in crore	
A	Cash Flow from Operating Activities		
	Net profit before tax	1539.97	1818.34
	Adjustments for:		
	Depreciation and amortisation expense	433.20	323.61
	Finance costs	136.05	127.86
	Unrealised foreign exchange gains (Net)	(0.76)	(35.61)
	Expense on Employee Stock Option Schemes (ESOSs)	39.44	18.41
	Bad debts and provision for doubtful debts and advances (Net)	10.23	27.54
	Interest income	(5.98)	(13.92)
	Dividend income	(21.00)	(71.41)
	Profit on sale of current investments (Net)	(45.07)	(8.01)
	Loss on sale/discard of fixed assets (Net)	8.01	6.95
	Rent income	(3.07)	(2.70)
		551.05	372.72
	Operating profit before working capital changes	2091.02	2191.06
	Adjustments for:		
	Increase in trade payables and other liabilities	590.25	252.54
	Increase in inventories	(778.05)	(167.78)
	Increase in trade and other receivables	(503.40)	(178.03)
		(691.20)	(93.27)
	Cash generated from operations	1399.82	2097.79
	Direct taxes paid (Net of refunds)	(348.41)	(285.31)
	Net cash from operating activities	(A) 1051.41	1812.48
B	Cash Flow from Investing Activities		
	Purchase of fixed assets/capital work-in-progress and intangibles	(532.63)	(502.03)
	Sale of fixed assets	8.05	2.55
	Investment in subsidiaries	(581.85)	(2813.92)
	Share application monies paid	(12.70)	-
	Purchase of current investments	(20357.91)	(17913.80)
	Sale of current investments	20277.72	19750.42
	Interest received	5.97	15.74
	Dividend received	21.00	71.41
	Rent received	3.07	5.34
	Loans given to subsidiaries (Net)	(25.00)	(82.92)
	Net cash used in investing activities	(B) (1194.28)	(1467.21)

Cash Flow Statement *contd.*

For the year ended 31 st March 2015		2015	₹ in crore 2014
C	Cash Flow from Financing Activities		
	Proceeds from issue of equity shares (ESOSs)	0.01	-
	Proceeds from/(Repayment of) in short term borrowings (Net)	502.90	(112.81)
	Repayment of long term borrowings	(0.01)	(0.13)
	Finance costs paid	(135.43)	(103.48)
	Dividend paid	(160.58)	(160.58)
	Tax paid on dividend	(27.29)	(27.29)
	Net cash from/(used in) financing activities (C)	179.60	(404.29)
	Net increase/(decrease) in cash and cash equivalents (A)+(B)+(C)	36.73	(59.02)
	Cash and Cash Equivalents as at the beginning of the year	46.04	105.07
	Exchange difference on translation of foreign currency cash and cash equivalents	(0.01)	(0.01)
	Cash and Cash Equivalents as at the end of the year	82.76	46.04

- Notes: i. The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in AS-3, "Cash Flow Statement".
- ii. Cash and Cash Equivalents represent cash and bank balances and fixed deposits with banks.
- iii. Cash and Cash Equivalents include ₹13.29 crore (Previous year ₹15.87 crore) on account of unclaimed dividend, which are not available for use by the Company.
- iv. Details on CSR expenditure, Refer Note 44.

As per our report of even date			
For V. Sankar Aiyar & Co., Chartered Accountants Firm Reg. No. 109208W	For R.G.N. Price & Co., Chartered Accountants Firm Reg. No. 002785S	Subhanu Saxena Managing Director and Global Chief Executive Officer	Rajesh Garg Executive Director and Global Chief Financial Officer
V. Mohan Partner Membership No. 17748	R. Rangarajan Partner Membership No. 41883		Mital Sanghvi Company Secretary
Mumbai, 29 th May 2015			Mumbai, 29 th May 2015

Notes to the accounts

1 Significant Accounting Policies

A. Basis of Preparation

The financial statements have been prepared and presented under the historical cost convention on an accrual basis of accounting and in accordance with Generally Accepted Accounting Principles (GAAP) in India. GAAP comprises mandatory Accounting Standards as prescribed under section 133 of the Companies Act, 2013 ("Act"), read with Rule 7 of the Companies (Accounts) Rules, 2014 and guidelines issued by Securities and Exchange Board of India (SEBI).

B. Use of Estimates

The preparation of financial statements requires the Management of the Company to make estimates and assumptions that affect the reported balance of assets and liabilities, revenue and expenses and disclosures relating to contingent liabilities. The Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates. Any revision of accounting estimates is recognised prospectively in the current and future periods.

C. Operating Cycle

All assets and liabilities have been classified as current or non-current as per Company's normal operating cycle and other criteria set out in Schedule III of the Act.

D. Fixed Assets

Tangible assets are stated at the cost of acquisition and includes amount added on revaluation, less accumulated depreciation, Government grants, other subsidies and impairment losses, if any. Cost of tangible assets comprises purchase price, non-refundable taxes, levies and any directly attributable cost of bringing the asset to its working condition for the intended use. Where several fixed assets are acquired for a consolidated price, the consideration is apportioned to fixed assets on fair value basis.

Capital work-in-progress includes cost of fixed assets that are not ready for their intended use.

Intangible assets are stated at the cost of acquisition, less accumulated amortisation and impairment losses, if any. Cost of intangible assets comprises purchase price, non-refundable taxes, levies and any directly attributable cost of making the asset ready for its intended use.

E. Borrowing Costs

Borrowing costs consists of interest, ancillary costs and other costs in connection with the borrowing of funds and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to interest costs.

Borrowing costs attributable to acquisition and/or construction of qualifying assets are capitalised as a part of the cost of such assets, up to the date such assets are ready for their intended use. Other borrowing costs are charged to the Statement of Profit and Loss.

F. Depreciation and Amortisation

Depreciation on tangible fixed assets is provided on the Straight Line Method over the useful life of assets as prescribed under part C of Schedule II of the Act.

In case of assets whose useful life is already exhausted as on 1st April 2014, the carrying value, net of residual value and deferred tax has been adjusted in retained earnings in accordance with the requirements of Schedule II of the Act.

Depreciation is calculated on a pro-rata basis from the date of installation till the date the assets are sold or disposed.

Notes to the accounts *contd.*

Cost of leasehold land including premium is amortised over the primary period of lease.

Intangible assets are amortised on a systematic basis over the best estimate of their useful lives, commencing from the date the asset is available to the Company for its use.

The Management estimates the useful lives for the various intangible assets as follows:

Category	Years
Software	3 to 6
Goodwill and Marketing Intangibles - Acquired	5

G. Inventories

Raw materials and packing materials are valued at lower of cost and net realisable value after providing for obsolescence, if any. However, these items are considered to be realisable at cost if the finished products, in which they will be used, are expected to be sold at or above cost.

Work-in-process, stock-in-trade and finished goods are valued at lower of cost and net realisable value. Finished goods and work-in-process include costs of raw material, labour, conversion costs and other costs incurred in bringing the inventories to their present location and condition.

Cost of finished goods includes excise duty, wherever applicable.

Cost of inventories is computed on weighted average basis.

During the year, the Company has implemented Enterprise Resource Planning software enabling inventorisation of stores, spares and consumables. This has now enabled the Company to include in the inventory, in the Balance Sheet from this year, sub-category of stores, spares and consumables amounting to ₹27.22 crore. The amount of profit before tax for the year, stands increased commensurately.

H. Investments

Long term investments are carried at cost, less provision for diminution (other than temporary) in value.

Current investments are carried at lower of cost and fair value.

Investment property is carried at cost, less depreciation computed in a manner prescribed for Fixed Assets.

I. Foreign Exchange Transactions

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction.

Foreign currency monetary assets and liabilities and forward contracts are restated at year end exchange rates. Exchange differences arising on the settlement of foreign currency monetary items or on reporting Company's foreign currency monetary items at rates different from those at which they were initially recorded during the year or reported in the previous financial statements, are recognised as income or expense in the year in which they arise.

Non-monetary foreign currency items are carried at the rates prevailing on the date of the transaction.

In respect of forward contracts, the premium or discount on these contracts is recognised as income or expenditure over the period of the contract. Any profit or loss arising on cancellation or renewal of such contracts is recognised as income or expense of the year.

Foreign branches are identified as integral foreign operations. All transactions are translated at rates prevailing on the date of transaction. Monetary assets and liabilities of the branch are restated at the year end rates.

Notes to the accounts *contd.*

J. Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date.

Disclosure of contingent liabilities is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent Assets are neither recognised nor disclosed in the financial statements.

K. Revenue Recognition

Revenue is recognised to the extent that is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Revenue from sale of goods is recognised when significant risks and rewards of ownership of the goods have been passed to the buyer, which ordinarily coincides with despatch of goods to customers. Revenues are recorded at invoice value net of excise duty, sales tax, returns and trade discounts.

Revenue from rendering of services are recognised on completion of services.

Benefits on account of entitlement of export incentives are recognised as and when the right to receive is established.

Technical Know-how and Licensing Fees are recognised as and when the right to receive such income is established as per terms and conditions of relevant agreement.

Interest income is recognised using the time proportionate method, based on rates implicit in the transaction.

Dividend income is recognised when the right to receive is established.

L. Employee Benefits

Liability on account of short term employee benefits is recognised on an undiscounted and accrual basis during the period when the employee renders service/vesting period of the benefit.

Post retirement contribution plans such as Employees' Pension Scheme are charged to the Statement of Profit and Loss for the year when the contributions to the respective funds accrue.

Post retirement benefit plans such as gratuity, leave encashment and provident fund are determined on the basis of actuarial valuation made by an independent actuary as at the Balance Sheet date. Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss.

Periodic contributions towards post retirement defined benefit plan such as provident fund administered through an Employees' Provident Fund Trust are charged to the Statement of Profit and Loss.

M. Employee Stock Option Schemes

In accordance with the SEBI regulations, the compensation cost of stock options granted to employees is calculated based on intrinsic value method, i.e. the excess of the market price of shares immediately prior to dates of grant over the exercise price to be paid by the option holders. The compensation cost is amortised to the Statement of Profit and Loss over the vesting period of the stock option.

N. Income Tax

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the provisions of local Income Tax Laws as applicable to the financial year.

Notes to the accounts *contd.*

Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income of the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted as at the Balance Sheet date.

The Company offsets, on a year-on-year basis, the current tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

O. Impairment of Assets

At each Balance Sheet date, the Company assesses whether there is any indication that any asset may be impaired. If any such indication exists, the carrying value of such assets is reduced to its estimated recoverable amount and the amount of such impairment loss is charged to the Statement of Profit and Loss. If, at the Balance Sheet date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

P. Research and Development

Revenue expenditure on Research and Development is recognised as expense in the year in which it is incurred.

Capital expenditure on Research and Development is shown as addition to Fixed Assets.

Q. Expenditure on Regulatory Approvals

Expenditure incurred for obtaining regulatory approvals and registration of products for overseas markets is charged to the Statement of Profit and Loss.

R. Government Grants and Subsidies

Capital subsidy/Government grants are recognised when there is a reasonable assurance that all relevant conditions will be complied with and it is reasonably certain that the ultimate collection will be made.

Capital subsidy/Government grants related to specific fixed assets are shown as deduction from the gross value of the asset concerned in arriving at its book value. The grant/subsidy is thus recognised in the Statement of Profit and Loss over the useful life of such fixed assets by way of a reduced depreciation charge.

S. Leases

Where the Company is a Lessee

Lease rentals on assets taken on operating lease are recognised as expense in the Statement of Profit and Loss on straight line basis over the lease term in accordance with the lease agreement.

Where the Company is a Lessor

Lease rentals on assets given on operating lease are recognised as income in the Statement of Profit and Loss on straight line basis in accordance with the lease agreement.

T. Earnings Per Share

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 period.

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 from the exercise of options on unissued share capital. The number of equity shares is the aggregate of the weighted average number of equity shares and the weighted average number of equity shares are to be issued on the conversion of all the dilutive potential equity shares into equity shares.

Notes to the accounts *contd.*

₹ in crore

	2015	2014
2 Share Capital		
Authorised		
87,50,00,000 Equity Shares of ₹2 each		
(Previous year 87,50,00,000 Equity Shares of ₹2 each)	175.00	175.00
	175.00	175.00
Issued		
80,39,63,835 Equity Shares of ₹2 each		
(Previous year 80,39,24,752 Equity Shares of ₹2 each)	160.79	160.78
	160.79	160.78
Subscribed & Paid-up		
80,29,60,440 Equity Shares of ₹2 each fully paid		
(Previous year 80,29,21,357 Equity Shares of ₹2 each fully paid)	160.59	160.58
	160.59	160.58

- **Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period**

Particulars	2015	2014
Equity Shares at the beginning of the year	80,29,21,357	80,29,21,357
Add: Equity Shares issued on exercise of employee stock options	39,083	-
Equity Shares at the end of the year	80,29,60,440	80,29,21,357

- **Details of Shareholders holding more than 5 percent shares in the Company**

	2015		2014	
	Number of shares	% Holding	Number of shares	% Holding
Dr. Y. K. Hamied	12,48,27,750	15.55	12,48,27,750	15.55
Mrs. Farida Hamied	4,19,14,937	5.22	4,19,14,937	5.22
Mrs. Sophie Ahmed	4,59,82,000	5.73	4,59,82,000	5.73
Life Insurance Corporation of India	4,42,13,904	5.51	5,24,97,490	6.54

- **Terms and Rights 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 dividends 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.

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.

- **Equity shares reserved for issue under employee stock options**

Refer Note 43 for number of stock options against which equity shares are to be issued by the Company upon vesting and exercise of those stock options by the option holders as per the relevant scheme(s).

Notes to the accounts *contd.*

		₹ in crore	
		2015	2014
3	Reserves and Surplus		
	Capital Reserve	0.08	0.08
	Securities Premium Reserve		
	As per last Balance Sheet	1428.96	1428.96
	Add: Additions during the year on ESOS exercised	1.63	-
	Balance at the end of the year	1430.59	1428.96
	Revaluation Reserve	8.97	8.97
	Employee Stock Options Outstanding		
	Employee Stock Options Outstanding		
	As per last Balance Sheet	92.05	-
	Add: Options Granted during the year (net of cancellations)	56.57	92.05
	Less: Exercised during the year	1.63	-
	Balance at the end of the year (a)	146.99	92.05
	Deferred Employee Stock Option Cost		
	As per last Balance Sheet	70.40	-
	Add: Options Granted during the year	56.57	92.05
	Less: Amortisations during the year	50.88	21.65
	Balance at the end of the year (b)	76.09	70.40
	Net Balance at the end of the year (a-b)	70.90	21.65
	General Reserve		
	As per last Balance Sheet	3141.43	3001.43
	Add: Transferred from the Statement of Profit and Loss	-	140.00
	Balance at the end of the year	3141.43	3141.43
	Surplus in the Statement of Profit and Loss		
	As per last Balance Sheet	5329.97	4269.50
	Add: Profit for the year	1181.09	1388.34
	Less: Adjustment of Depreciation [Refer Note 1(F)]	40.19	-
		6470.87	5657.84
	Less: Appropriations		
	Transferred to General Reserve	-	140.00
	Proposed Dividend	160.59	160.58
	Tax on Dividend	32.69	27.29
	Balance at the end of the year	6277.59	5329.97
		10929.56	9931.06

Notes to the accounts *contd.*

	₹ in crore	
	2015	2014
4 Long Term Borrowings		
Unsecured		
Deferred Payment Liability - Sales Tax Deferral Loan	0.41	0.43
	<u>0.41</u>	<u>0.43</u>
Sales tax deferral loan is interest free and repayable in 3 equal instalments from the 10 th year		

	₹ in crore	
	2015	2014
5 Deferred Tax Liabilities		
Deferred Tax Liabilities arising on account of		
Differences between book and tax depreciation	330.59	311.20
	<u>330.59</u>	<u>311.20</u>

	₹ in crore	
	2015	2014
6 Other Long Term Liabilities		
Security Deposits	40.00	30.00
	<u>40.00</u>	<u>30.00</u>

	₹ in crore	
	2015	2014
7 Long Term Provisions		
Provision for Employee Benefits		
Leave Encashment (Note 25)	101.93	73.99
Others		
Payable for Acquisition of Business (Note 41)	50.00	-
	<u>151.93</u>	<u>73.99</u>

Notes to the accounts *contd.*

	₹ in crore	
	2015	2014
8 Short Term Borrowings		
Loans Repayable on demand		
Secured		
Cash Credit from Banks (Secured by hypothecation of trade receivables and inventories)	0.67	-
Unsecured		
Packing Credit from Banks	1156.25	876.91
Buyers' Credit from Banks	223.28	-
	1380.20	876.91

	₹ in crore	
	2015	2014
9 Trade Payables		
Micro, Small and Medium Enterprises	2.72	7.28
Others	1493.88	955.28
	1496.60	962.56

The information regarding Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors. Amounts due as at 31st March 2015 in respect of enterprises covered under the 'Micro, Small and Medium Enterprises Development Act, 2006' is ₹2.72 crore (Previous year ₹7.28 crore). The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act is Nil (Previous year Nil).

Notes to the accounts *contd.*

	₹ in crore	
	2015	2014
10 Other Current Liabilities		
Current maturities of Long Term Debt - Sales Tax Deferral Loan	0.01	0.06
Unclaimed Dividend*	13.29	15.87
Statutory Dues	40.18	42.94
Dues to Employees	83.35	89.17
Creditors for Capital Expenditure	61.93	44.35
Unclaimed Preference Share Capital	0.01	0.01
Security Deposits	2.20	1.97
Book Overdraft	46.89	38.94
Advance from Customers	103.89	99.85
Interest Payable	0.67	0.04
	352.42	333.20
* There are no amounts due and outstanding to be credited to Investor Education & Protection Fund.		

	₹ in crore	
	2015	2014
11 Short Term Provisions		
Provision for Employee Benefits		
Leave Encashment (Note 25)	16.36	13.26
Gratuity (Note 25)	57.58	36.69
Others		
Provision for Bonus	5.42	6.25
Proposed Dividend	160.59	160.58
Tax on Proposed Dividend	32.69	27.29
Payable for Acquisition of Business (Note 41)	76.88	-
	349.52	244.07

Notes to the accounts *contd.*

₹ in crore

12 Fixed Assets		GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK	
Tangible Assets	As at 01.04.14	Additions	Deletions/ Adjustments	As at 31.03.15	Upto 31.03.14	Adjustment in retained earnings	For the year 2014-15	Deletions/ Adjustments	Upto 31.03.15	As at 31.03.15	As at 31.03.14
Freehold Land	32.73	-	-	32.73	-	-	-	-	-	32.73	32.73
Leasehold Land	75.36	1.04	-	76.40	13.07	-	1.70	-	14.77	61.63	62.29
Plant and Equipments	3491.99	274.46	17.80	3748.65	1554.36	41.11	336.41	11.51	1920.37	1828.28	1937.63
Office Equipments	82.81	12.68	0.19	95.30	16.32	14.72	22.13	0.16	53.01	42.29	66.49
Furniture and Fixtures	124.53	11.54	0.34	135.73	48.70	2.13	18.91	0.19	69.55	66.18	75.83
Buildings and Flats	1573.08	148.71	9.37	1712.42	233.51	2.75	43.75	0.89	279.12	1433.30	1339.57
Vehicles	9.26	0.45	0.60	9.11	4.21	0.15	1.17	0.34	5.19	3.92	5.05
Total	5389.76	448.88	28.30	5810.34	1870.17	60.86	424.07	13.09	2342.01	3468.33	3519.59
Previous year	4983.81	434.15	28.20	5389.76	1565.52	-	323.25	18.60	1870.17	-	-
Intangible Assets	As at 01.04.14	Additions	Deletions/ Adjustments	As at 31.03.15	Upto 31.03.14	Adjustment in retained earnings	For the year 2014-15	Deletions/ Adjustments	Upto 31.03.15	As at 31.03.15	As at 31.03.14
Goodwill	-	8.83	-	8.83	-	-	0.29	-	0.29	8.54	-
Marketing Intangibles	-	25.10	-	25.10	-	-	0.83	-	0.83	24.27	-
Software	4.96	96.73	0.88	100.81	0.36	-	8.01	0.04	8.33	92.48	4.60
Total	4.96	130.66	0.88	134.74	0.36	-	9.13	0.04	9.45	125.29	4.60
Previous year	-	4.96	-	4.96	-	-	0.36	-	0.36	-	-

Notes: i. The gross value of Buildings and Flats includes the cost of shares in Co-operative Housing Societies.

- ii. The above additions to fixed assets during the year includes ₹121.11 crore (Previous year ₹5.58 crore) used for Research and Development.
- iii. Freehold Land at Mumbai Central and Vikhroli, were revalued on 16th March 1985 and was again revalued on 21st March 1990 along with Freehold Land at Bengaluru which stood at ₹9.07 crore on the basis of valuation report of approved valuers resulting in increase in book value by ₹8.97 crore.

Notes to the accounts *contd.*

		₹ in crore	
		2015	2014
13	Non-Current Investments		
	Trade Investments		
	Investments in Equity Instruments (Unquoted)		
	Investment in Subsidiaries		
	15 (Previous year 15) Equity Shares of Cipla FZE of AED 10,00,000 each, fully paid	18.69	18.69
	45,966 (Previous year 45,966) Equity Shares of Goldencross Pharma Pvt. Ltd. of ₹10 each, fully paid	191.12	191.12
	61,53,382 (Previous year 60,00,072) Equity shares of Meditab Specialities Pvt. Ltd. of ₹1 each, fully paid	155.72	133.72
	2,15,50,001 (Previous year 15,50,001) Ordinary Shares of Cipla (Mauritius) Ltd. of USD 1 each, fully paid	129.42	8.08
	35,30,000 (Previous year Nil) Shares of Cipla (EU) Ltd. of GBP 1 each, fully paid	37.76	-
	45,07,40,684 (Previous year 45,07,40,684) Ordinary Shares of Cipla Medpro South Africa (Proprietary) Ltd. of 0.1 Cent each, fully paid	2756.74	2756.74
	2,15,367 (Previous year 62,700) Shares of Cipla Holding B.V. of EUR 100 each, fully paid	172.69	53.07
	10,00,00,000 (Previous year 1,70,48,597) Equity Shares of Mabpharm Pvt. Ltd. of ₹10 each, fully paid*	105.81	51.74
	1,35,15,000 (Previous year Nil) Shares of Saba Investment Ltd. of USD 1 each, fully paid	257.69	-
	24,06,000 (Previous year Nil) Shares of Jay Precision Pharmaceuticals Pvt. Ltd. of ₹10 each, fully paid	96.24	-
	Investment in Associates		
	87,33,333 (Previous year 87,33,333) Ordinary Shares of Biomab Holding Ltd. of USD 1 each, fully paid	114.78	114.78
	Investment in Joint Venture		
	Nil (Previous year 1) Ordinary Share of Aspen-Cipla Australia Pty Ltd. of AUD 1, fully paid - Nil (Previous year ₹51.97)	-	0.00
	Other Investments		
	Investments in Equity Instruments (Unquoted)		
	1,000 (Previous year 1,000) Equity Shares of The Saraswat Co-operative Bank Ltd. of ₹10 each, fully paid ₹10000 (Previous year ₹10000)	0.00	0.00
	Investments in Government and Trust securities		
	National Savings Certificates ₹41000 (Previous year ₹40000)	0.00	0.00
	Investment property (at cost less accumulated depreciation)		
	Cost of Building given on Operating Lease	0.52	0.52
	Less: Accumulated Depreciation	0.19	0.18
	Net Block	0.33	0.34
		4036.99	3328.28
	* During the year, the Company acquired an additional 75% stake in Mabpharm Pvt. Ltd. ("Mabpharm"). Consequent to the acquisition of aforesaid additional stake Mabpharm has become a wholly owned subsidiary of the Company.		
	Aggregate amount of unquoted investments ₹4036.66 crore (Previous year ₹3327.94 crore)		
	Mode of valuation - Refer Note 1(H)		

Notes to the accounts *contd.*

	₹ in crore	
	2015	2014
14 Long Term Loans and Advances		
Secured, Considered Good		
Capital Advances [#]	4.74	1.58
Unsecured, Considered Good		
Capital Advances [*]	98.12	114.65
Security Deposits	31.00	36.29
Loans to Subsidiaries (Includes amount referred to in Note 39)	259.15	234.15
Advance Taxes and TDS (Net of Provision for Tax ₹1610.34 crore; Previous year ₹1291.20 crore)	138.04	108.42
VAT Receivable	45.51	39.37
Other Loans and Advances	0.15	0.84
	576.71	535.30
[#] Secured against Bank Guarantees		
[*] Includes ₹55.74 crore (Previous year ₹55.74 crore) paid to wholly owned subsidiary - Meditab Specialities Pvt. Ltd.		

	₹ in crore	
	2015	2014
15 Other Non-Current Assets		
Fixed Deposits as Margin Money (with maturity more than 12 months)	3.89	0.33
Capital Subsidy Receivable	61.24	61.24
	65.13	61.57

Notes to the accounts *contd.*

₹ in crore				
	No. of units	2015	No. of units	2014
16 Current Investments				
Investment in Mutual Funds (Unquoted)				
Baroda Pioneer Mutual Fund "Baroda Pioneer Liquid Fund" - Plan B - Growth	2,80,546	45.00	1,46,096	21.45
Birla Sun Life Mutual Fund "Birla Sun Life Cash Plus" - Growth - Direct Plan	20,05,213	45.00	19,63,835	40.33
Franklin Templeton Mutual Fund "Templeton India Treasury Management Account" - Super Institutional Plan - Direct - Growth	2,39,539	50.00	81,114	15.50
HDFC Mutual Fund "HDFC Cash Management Fund" - Savings Plan - Direct Plan - Growth Option	85,62,289	25.00	-	-
ICICI Prudential Mutual Fund "ICICI Prudential Money Market Fund" - Direct Plan - Growth	-	-	5,64,290	10.00
Indiabulls Mutual Fund "Indiabulls Liquid Fund" - Direct Plan Growth	-	-	1,71,883	21.41
JP Morgan Mutual Fund "JP Morgan India Liquid Fund" - Direct Plan - Growth	-	-	1,20,64,636	20.05
Peerless Mutual Fund "Peerless Liquid Fund" - Direct Plan Growth	-	-	2,13,97,244	30.05
Principal Mutual Fund "Principal Cash Management Fund" - Direct Plan - Growth Option	3,30,868	45.00	-	-
Reliance Mutual Fund "Reliance Liquidity Fund" - Direct Growth Plan	2,11,177	44.50	1,03,852	20.04
Religare Invesco Mutual Fund "Religare Invesco Liquid Fund" - Direct Plan Growth	-	-	1,13,465	20.00
SBI Mutual Fund "SBI Magnum Insta Cash Fund" - Direct Plan - Growth	92,339	28.51	1,41,139	40.02
Sundaram BNP Paribas Mutual Fund "Sundaram Money Fund" - Direct Plan - Growth	1,73,22,750	51.10	-	-
Taurus Mutual Fund "Taurus Liquid Fund" - Direct Plan - Super Institutional Growth	3,30,391	50.00	1,44,481	20.00
		384.11		258.85
Aggregate amount of unquoted investments ₹384.11 crore (Previous year ₹258.85 crore)				
Mode of valuation - Refer Note 1(H)				

Notes to the accounts *contd.*

		₹ in crore	
		2015	2014
17 Inventories (Refer Note - 24c)			
Raw Materials and Packing Materials (including Stock-in-transit of ₹109.54 crore; Previous year ₹151.61 crore)		1470.28	1068.51
Work-in-Process (including Stock-in-transit of ₹20.66 crore; Previous year ₹12.00 crore)		874.31	641.69
Finished Goods (including Stock-in-transit of ₹65.34 crore; Previous year ₹88.62 crore)		668.41	571.21
Stock-in-Trade (including Stock-in-transit of ₹6.71 crore; Previous year ₹20.33 crore)		248.98	229.75
Stores, Spares and Consumables		27.22	-
		3289.20	2511.16
Mode of valuation - Refer Note 1(G)			

		₹ in crore	
		2015	2014
18 Trade Receivables			
Unsecured, Considered Good			
Outstanding over Six Months from date they were due for payment		163.53	68.65
Others		1895.38	1659.45
Unsecured, Considered Doubtful			
Outstanding over Six Months from date they were due for payment	64.13		57.79
Less: Allowance for Doubtful Debts	64.13		57.79
		2058.91	1728.10

Notes to the accounts *contd.*

	₹ in crore	
	2015	2014
19 Cash and Bank Balances		
Cash and Cash Equivalents		
Balances with Banks (including money in transit)	63.14	28.11
Cash on Hand	1.20	1.46
Other Bank Balances		
Balance earmarked for Unclaimed Dividend	13.29	15.87
Fixed Deposits as Margin Money (maturity less than 12 months)	5.13	0.60
	82.76	46.04

	₹ in crore	
	2015	2014
20 Short Term Loans and Advances		
Unsecured (Considered good unless otherwise stated)		
Inter Corporate Loans		
Considered Good	0.80	0.80
Considered Doubtful	2.25	2.25
	<u>3.05</u>	<u>3.05</u>
Less: Allowance for Doubtful Loans	2.25	2.25
	0.80	0.80
Interest Accrued on Inter Corporate Loans		
Considered Good	0.36	0.36
Considered Doubtful	0.46	0.46
	<u>0.82</u>	<u>0.82</u>
Less: Allowance for Doubtful Interest	0.46	0.46
	0.36	0.36
Share Application Money- Pending Allotment	12.69	-
Balances with Statutory/Revenue Authorities	366.73	350.06
Others*		
Considered Good	209.38	164.34
Considered Doubtful	-	4.59
	<u>209.38</u>	<u>168.93</u>
Less: Allowance for Doubtful Advances	-	4.59
	209.38	164.34
	589.96	515.56
* Includes advances to sundry creditors, employee loans and prepaid expenses		

Notes to the accounts *contd.*

	₹ in crore	
	2015	2014
21 Other Current Assets		
Export Incentives Receivable	144.79	35.02
Other Current Assets*	8.93	3.24
	153.72	38.26
* Pertains to receivables from subsidiaries		

	₹ in crore	
	2015	2014
22 Revenue from Operations		
Sale of Products	9776.23	9210.68
Rendering of Services	55.65	40.89
Other Operating Revenue		
Export Incentives	159.48	47.62
Technical Know-how and Licensing Fees	163.81	202.52
Scrap Sales	46.90	39.12
Others	22.65	15.19
	10224.72	9556.02

• Details of Products sold

	₹ in crore	
	2015	2014
Manufactured Goods		
Bulk Drugs	844.33	965.90
Tablets and Capsules	5130.41	4870.22
Liquids	273.54	271.81
Creams	168.91	146.57
Aerosols/Inhalation Devices	1033.56	952.01
Injections/Sterile Solutions	957.51	874.76
Others	85.79	72.67
	8494.05	8153.94
Stock-in-Trade		
Bulk Drugs	96.95	96.03
Tablets and Capsules	626.06	516.70
Liquids	233.53	171.06
Creams	67.24	50.30
Aerosols/Inhalation Devices	63.57	47.94
Injections/Sterile Solutions	162.41	122.47
Others	32.42	52.24
	1282.18	1056.74
	9776.23	9210.68

Notes to the accounts *contd.*

22 Revenue from Operations *contd.*

• Earnings in Foreign Exchange

	₹ in crore	
	2015	2014
F.O.B. Value of Exports	4736.33	4947.96
Technical Know-how and Licensing Fees	156.82	187.39
Others - Service fees, etc.	17.25	14.53
	4910.40	5149.88

	₹ in crore	
	2015	2014
23 Other Income		
Interest		
Bank Deposits	0.50	0.77
Others	5.48	13.15
Dividend on Current Investment	21.00	71.41
Net Gain on Sale of Current Investment	45.07	8.01
Insurance Claims	6.48	2.64
Rent	3.07	2.70
Sundry Balances Written Back	6.83	24.38
Miscellaneous Receipts	19.65	17.36
Net Gain on Foreign Currency Transaction and Translation	39.83	139.86
	147.91	280.28

	₹ in crore	
	2015	2014
24a Cost of Materials Consumed		
Consumption of Raw and Packing Materials		
Opening Stock	1068.51	1058.84
Add: Purchases	3828.51	3155.01
	4897.02	4213.85
Less: Closing Stock	1470.28	1068.51
	3426.74	3145.34
	3426.74	3145.34

Notes to the accounts *contd.*

24a Cost of Materials Consumed *contd.*

• Break-up of Materials Consumed

₹ in crore		
Class of Goods	2015	2014
Semi Finished Goods	1567.24	1367.62
Raw Material	942.06	963.98
Packing Material	891.11	857.01
Others	127.84	94.04
	3528.25	3282.65
Less: Recoverable Duties (included in the above cost)	101.51	137.31
Total Consumption (Net of Cenvat)	3426.74	3145.34

• Consumption of Raw and Packing Materials/Spares and Components

₹ in crore				
Class of Goods	2015		2014	
	Value	%	Value	%
Purchased Indigenously	2004.38	57	1537.46	47
Imported	1523.87	43	1745.19	53
	3528.25	100	3282.65	100
Less: Recoverable Duties (included in the above Cost)	101.51		137.31	
Total Consumption (Net of Cenvat)	3426.74		3145.34	

₹ in crore		
	2015	2014
24b Purchases of Stock-in-Trade		
Bulk Drugs	72.65	104.93
Tablets and Capsules	405.08	345.27
Liquids	166.31	144.09
Creams	48.06	32.86
Aerosols/Inhalation Devices	51.79	34.42
Injections/Sterile Solutions	144.13	96.04
Others	15.39	15.79
	903.41	773.40

Notes to the accounts *contd.*

		₹ in crore	
		2015	2014
24c	Changes in Inventories of Finished Goods, Work-in-Process and Stock-in-Trade		
Opening Stock			
Work-in-Process	641.69		563.52
Finished Goods	571.21		513.84
Stock-in-Trade	229.75		207.17
		1442.65	1284.53
Less: Closing Stock			
Work-in-Process	874.31		641.69
Finished Goods	668.41		571.21
Stock-in-Trade	248.98		229.75
		1791.70	1442.65
		(349.05)	(158.12)

• Break-up of Inventory

		₹ in crore	
		2015	2014
Work-in-Process			
Formulations		320.97	169.16
Bulk Drugs		553.34	472.53
		874.31	641.69
Finished Goods			
Bulk Drugs		25.21	12.77
Tablets and Capsules		419.73	337.46
Liquids		18.28	22.15
Creams		21.41	19.83
Aerosols/Inhalation Devices		64.79	62.25
Injections/Sterile Solutions		115.21	107.65
Others		3.78	9.10
		668.41	571.21
Stock-in-Trade			
Bulk Drugs		10.45	16.83
Tablets and Capsules		118.91	108.78
Liquids		36.60	43.83
Creams		11.37	7.72
Aerosols/Inhalation Devices		9.49	4.38
Injections/Sterile Solutions		57.35	37.40
Others		4.81	10.81
		248.98	229.75

Notes to the accounts *contd.*

	₹ in crore	
	2015	2014
25 Employee Benefits Expense		
Salaries and Wages	1259.01	1075.12
Contribution to Provident and Other Funds	63.74	54.60
Staff Gratuity	25.80	21.38
Expense on Employee Stock Option Schemes (Note 43)	39.44	18.41
Staff Welfare Expenses	117.59	115.24
	1505.58	1284.75

- **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. Benefits such as salaries, wages, short term compensated absences, etc., and the expected cost of bonus, ex-gratia are recognised in the period in which the employee renders the related service.

- ii. **Long Term Employee Benefits**

The disclosures as per the revised AS-15 are as under:

- a. **Brief description of the plans**

- Defined Contribution Plan**

The Company's defined contribution plan is Employees' Pension Scheme (under the provisions of Employees' Provident Funds and Miscellaneous Provisions Act, 1952) since the Company has no further obligation beyond making the contributions.

- Defined Benefit and other Long term Benefit Plans**

The Company has two schemes for long term benefits namely, Provident Fund and Gratuity:

- The Provident Fund plan, a funded scheme is operated by the Company's Provident Fund, which is recognised by the income tax authorities and administered through trustees/appropriate authorities. The Guidance Note on implementing the revised AS-15, "Employee Benefits (revised 2005)" issued by Accounting Standards Board (ASB) states benefit involving employer established provident funds, which require interest shortfalls to be recompensed, are to be considered as defined benefit plans. Accordingly, the Company has considered the provident fund as defined benefit plan.
- The Company provides for gratuity, a defined benefit plan based on actuarial valuation as of the Balance Sheet date, based upon which, the Company contributes all the ascertained liabilities to the Insurer Managed Funds.

The employees of the Company are also entitled to leave encashment. The provision is made based on actuarial valuation for leave encashment at the year end.

Notes to the accounts *contd.*

25 Employee Benefits Expense *contd.*

b. Charge to the Statement of Profit and Loss

i. Based on contribution

	₹ in crore	
	2015	2014
Employees' Pension Scheme	21.21	13.15
Provident Fund	41.05	40.01
	62.26	53.16

ii. Charge towards leave encashment to the Statement of Profit and Loss amounts to ₹57.28 crore (Previous year ₹51.01 crore).

c. Disclosures for defined benefit plans based on actuarial reports as on 31st March 2015

	₹ in crore	
	2015 Gratuity (Funded Plan)	2014 Gratuity (Funded Plan)
i. Change in defined benefit obligation		
Opening defined benefit obligation	74.43	59.39
Interest cost	6.92	4.90
Current service cost	16.23	9.80
Actuarial (gain)/loss on obligations	6.42	3.86
Benefits paid	(4.64)	(3.52)
Liability at the end of the year	99.36	74.43
ii. Change in fair value of assets		
Opening fair value of plan assets	41.23	33.74
Expected return on plan assets	3.83	2.78
Actuarial gain/(loss)	(0.16)	(1.77)
Contributions by employer	5.00	10.00
Transfer of plan assets	-	-
Assets transferred out/divestments	(3.48)	-
Benefits paid	(4.64)	(3.52)
Closing fair value of plan assets	41.78	41.23
iii. Amount recognised in Balance Sheet		
Present value of obligations as at year end	(99.36)	(74.43)
Direct Obligations	-	(3.48)
Fair value of plan assets as at year end	41.78	41.23
Net asset/(liability) recognised	(57.58)	(36.68)
iv. Expenses recognised in Statement of Profit and Loss		
Current service cost	16.23	9.80
Interest on defined benefit obligation	6.92	4.90
Expected return on plan assets	(3.83)	(2.78)
Net actuarial (gain)/loss recognised in the current year	6.58	5.63
Direct Payments	-	0.35
Direct Obligations	-	3.48
Transfer of plan assets	-	-
Total expense recognised in Statement of Profit and Loss	25.90	21.38

Notes to the accounts *contd.*

25 Employee Benefits Expense *contd.*

₹ in crore

	2015 Gratuity (Funded Plan)	2014 Gratuity (Funded Plan)
v. Actual return on plan assets		
Expected return on plan assets	3.83	2.78
Actuarial gain/(loss) on plan assets	(0.16)	(1.77)
Actual return on plan assets	3.67	1.01
vi. Asset information		
Insurer managed funds	100%	100%
vii. Experience adjustments		
Defined benefit obligation	99.36	74.43
Plan assets	(41.78)	(41.23)
Deficit/(Surplus)	57.58	33.20
Experience adjustment on plan liabilities - (gain)/loss	(0.53)	3.95
Experience adjustment on plan assets - (gain)/loss	0.16	1.77
viii. Expected employer's contribution for the next year	45.10	40.36

The actuarial calculations used to estimate commitments and expenses in respect of gratuity and compensated absences are based on the following assumptions which if changed, would affect the commitment's size, funding requirements and expense:

Principal Actuarial assumptions used	2015	2014
Discounted rate (per annum)	8.01%	9.30%
Expected rate of return on plan assets	8.01%	9.30%
Expected rate of future salary increase	5.00% p.a.*	5.00%

* for the next 5 years, and 4.00% p.a. thereafter

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.

- Amount for current and previous four periods are as follows:

₹ in crore

	2015	2014	2013	2012	2011
Gratuity					
Defined benefit obligation	99.36	74.43	59.39	46.52	33.23
Plan assets	(41.78)	(41.23)	(33.74)	(29.03)	(26.36)
(Surplus)/Deficit	57.58	33.20	25.65	17.49	6.87
Experience adjustment on plan liabilities - (gain)/loss	(0.53)	3.95	0.20	11.22	9.36
Experience adjustment on plan assets - (gain)/loss	0.16	1.77	(1.23)	(0.21)	0.56

Notes to the accounts *contd.*

25 Employee Benefits Expense *contd.*

d. The following table sets out the status of the provident fund plan and the amounts recognised in the group's financial statements as on 31st March 2015

	₹ in crore	
	2015 Provident Fund (Funded Plan)	2014 Provident Fund (Funded Plan)
i. Change in defined benefit obligation		
Opening defined benefit obligation	392.12	283.12
Interest cost	36.65	26.71
Current service cost	40.89	40.48
Past service cost	-	-
Employee Contribution	71.22	60.03
Liability transferred in	8.44	7.50
Actuarial (gain)/loss on obligations	-	-
Benefits paid	(32.95)	(25.72)
Liability at the end of the year	516.37	392.12
ii. Change in fair value of assets		
Opening fair value of plan assets	397.84	287.57
Expected return on plan assets	36.65	26.71
Actuarial gain/(loss)	2.33	1.26
Contributions by employer	112.20	100.52
Transfer of plan assets	8.44	7.50
Benefits paid	(32.95)	(25.72)
Closing fair value of plan assets	524.51	397.84
iii. Amount recognised in Balance Sheet		
Present value of obligations as at year end	(516.37)	(392.12)
Fair value of plan assets as at year end	524.51	397.84
Funded status	(8.14)	(5.72)
Unrecognised actuarial gain/(loss)	-	-
Net asset/(liability) recognised	-	-
iv. Expenses recognised in Statement of Profit and Loss		
Current service cost	40.89	40.48
Past service cost	-	-
Interest cost	36.65	26.71
Interest on defined benefit obligation	-	-
Expected return on plan assets	(36.65)	(26.71)
Net actuarial (gain)/loss recognised in the current year	-	-
Transfer of plan assets	-	-
Total expense recognised in Statement of Profit and Loss	40.89	40.48
v. Actual return on plan assets		
Expected return on plan assets	36.65	26.71
Actuarial gain/(loss) on plan assets	(2.33)	(1.26)
Actual return on plan assets	34.32	25.45

Notes to the accounts *contd.*

25 Employee Benefits Expense *contd.*

	₹ in crore	
	2015 Provident Fund (Funded Plan)	2014 Provident Fund (Funded Plan)
vi. Asset information		
Investment in PSU bonds	259.39	188.90
Investment in Government Securities	210.89	157.55
Bank Special deposit	15.58	15.58
Investment in other securities	27.05	24.23
Private Sector Bonds	11.10	11.08
Equity/Insurer Managed Funds/Mutual Funds	0.50	0.50
Total Assets at the end of the year	524.51	397.84
vii. Principal Actuarial assumptions used		
Discounted rate (per annum)	8.01%	9.30%
Expected rate of return on plan assets (per annum)	8.75%	8.75%
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.	5.00% p.a.*	5.00%
viii. Experience adjustments		
Defined benefit obligation	516.37	392.12
Plan assets	(524.51)	(397.84)
Deficit/(Surplus)	(8.14)	(5.72)
Experience adjustment on plan liabilities - (gain)/loss	-	-
Experience adjustment on plan assets - (gain)/loss	2.33	1.26
* for the next 5 years, & 4.00% p.a. thereafter		

	₹ in crore	
	2015	2014
26 Finance Costs		
Interest Expense	39.32	37.83
Other Borrowing Costs	1.04	15.38
Applicable Loss on Foreign Currency Transaction and Translation	95.69	74.65
	136.05	127.86

Notes to the accounts *contd.*

	₹ in crore	
	2015	2014
27 Depreciation and Amortisation Expense		
Depreciation on Tangible Assets	424.07	323.25
Amortisation of Intangible Assets	9.13	0.36
	433.20	323.61

	₹ in crore	
	2015	2014
28 Other Expenses		
Manufacturing Expenses	349.64	250.31
Stores and Spares	84.22	84.05
Power and Fuel	198.19	191.84
Repairs and Maintenance		
Machinery	51.01	51.37
Buildings	28.50	29.92
Travelling Expenses	278.25	264.39
Sales Promotion Expenses	229.90	199.62
Commission on Sales	214.21	234.12
Rates and Taxes	35.04	39.45
Freight and Forwarding	197.46	165.47
Rent	46.78	44.09
Insurance	19.81	16.49
Payment to Auditors		
Audit Fees	0.67	0.67
Taxation Matters	0.22	0.05
For Other Services	0.21	0.30
Professional Fees	330.53	344.55
Postage and Telephone Expenses	22.08	21.74
Directors' Sitting Fees	0.14	0.08
Contractual Services	120.91	88.64
Corporate Social Responsibility Expenditure (Note 44)	12.79	9.98
Charitable Donations	0.09	-
Bad Debts, provision for doubtful debts and advances (Net)	10.23	27.54
Loss on sale/discard of fixed assets (Net)	8.01	6.95
Research - Clinical Trials, Samples and Grants	128.06	94.36
Miscellaneous Expenses	316.84	256.02
	2683.79	2422.00

Notes to the accounts *contd.*

		₹ in crore	
		2015	2014
29	Research and Development Expenditure		
The amount of expenditure as shown in the respective heads of account is as under:			
Capital Expenditure		130.10	5.58
Revenue Expenditure Charged to the Statement of Profit and Loss			
Materials Consumed	127.61		72.88
Employee Benefits Expenses	197.64		148.95
Power and Fuel	27.70		21.38
Repairs and Maintenance	28.70		24.23
Manufacturing Expenses	23.95		21.82
Professional Fees	74.09		46.38
Depreciation	76.48		39.29
Research - Clinical Trials, Samples and Grants	74.95		62.92
Printing and Stationery	1.92		1.73
Travelling Expenses	13.58		8.97
Other Research and Development Expenses	67.42		63.38
		714.04	511.93
		844.14	517.51
Amount eligible for weighted deduction under section 35(2AB) of the Income Tax Act, 1961			
Capital Expenditure		39.93	4.95
Revenue Expenditure			
Employee Benefit Expense	128.25		70.35
Raw Materials and Consumables	127.61		72.88
Research - Clinical Trials and Grants	75.16		62.92
Other Expenditure	158.99		86.17
		490.01	292.32
		529.94	297.27

		₹ in crore	
		2015	2014
30	Net Difference in foreign exchange (debited)/credited to the Statement of Profit and Loss		
		(55.86)	65.21
		(55.86)	65.21

Notes to the accounts *contd.*

	₹ in crore	
	2015	2014
31 Value of Imports on C.I.F. basis		
Raw Materials and Packing Materials	1515.43	1330.64
Components and Spare Parts	23.73	30.70
Capital Goods	123.75	64.71
	1662.91	1426.05

	₹ in crore	
	2015	2014
32 Expenditure in Foreign Currency		
Legal and Professional charges	397.01	239.82
Interest	0.74	1.67
Commission	75.51	131.15
Other Matters – Travelling, Registration fees etc.	112.17	95.61
	585.43	468.25

33 Lease Accounting

Where the Company is a Lessee

The Company has obtained certain premises for its business operations (including furniture and fixtures, therein as applicable) under cancellable operating lease or leave and license agreements ranging from 11 months to 5 years or longer which are subject to renewal at mutual consent. The cancellable lease arrangements can be terminated by either party after giving due notice. Lease payments are recognised in the Statement of Profit and Loss under 'Rent' in Note 28.

Where the Company is a 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 Statement of Profit and Loss under 'Rent' in Note 23.

Notes to the accounts *contd.*

34 Foreign Exchange Derivatives and Exposures outstanding at the year end

				₹ in crore
Nature of Instrument	Currency	Cross Currency	2015	2014
Forward contracts - Sold	USD	INR	799.43	1261.14
Forward contracts - Sold	ZAR	INR	225.99	-
Forward contracts - Bought	USD	INR	535.78	826.83
Unhedged foreign exchange exposures				
Receivables			782.52	311.72
Payables			548.06	452.70
Short Term Borrowings			843.75	-

Note: The Company uses forward contracts/derivatives for hedging purposes and/or reducing interest costs.

35 Segment Information

In accordance with AS-17, "Segment Reporting", segment information has been given in the Consolidated Financial Statements of Cipla Ltd., and therefore, no separate disclosure on segment information is given in these financial statements.

				₹ in crore
			2015	2014
36	Contingent Liabilities and Commitments (to the extent not provided for)			
	Contingent Liabilities			
	Claims against the Company not acknowledged as debt	15.85		4.82
	Guarantees	126.95		152.38
	Letters of Credit	49.30		9.32
	Refund of Technical Know-how and Licensing Fees on account of non-compliance of certain obligations as per respective agreements	-		2.95
	Income Tax on account of disallowances/additions	108.42		100.29
	Excise Duty/Service Tax on account of valuation/cenvat credit	108.47		80.93
	Sales Tax on account of credit/classification	5.66		5.46
			414.65	356.15
	Commitments			
	Estimated amount of contracts unexecuted on Capital Account	367.10		200.88
	Other Commitments	978.61		644.33
			1345.71	845.21
			1760.36	1201.36

Notes to the accounts *contd.*

37 The Government of India has served demand notices in March 1995 and May 1995 on the Company in respect of six bulk drugs, claiming that an amount of ₹5.46 crore along with interest due thereon is payable into the DPEA under the Drugs (Prices Control) Order, 1979 on account of alleged unintended benefit enjoyed by the Company. The Company has filed its replies to the notices and has contended that no amount is payable into the DPEA under the Drugs (Prices Control) Order, 1979.

38 In 2003, the Company received notice of demand from the National Pharmaceutical Pricing Authority, Government of India on account of alleged overcharging in respect of certain drugs under the Drugs (Price Control) Order, 1995. This was contested before the jurisdictional High Courts in Mumbai, Karnataka and Allahabad wherein it was held in favour of the Company. The orders of Hon'ble High Court of Allahabad and Bombay were challenged before the Hon'ble Supreme Court of India by the Government. Although in the challenge to the decision of the Hon'ble Bombay High Court, the Hon'ble Supreme Court of India restored the matter to the Hon'ble Bombay High Court in August 2003 for interpreting the Drug Policy on the basis of directions and principles laid down by them and the same was pending, in the challenge to the Hon'ble High Court of Allahabad's order, in February 2013, the Hon'ble Supreme Court of India transferred the Bombay High Court petition also before itself for a final hearing on both the matters. In an earlier order, the Hon'ble Supreme Court has already restrained the Government from taking any coercive action against the Company. The Company has been legally advised that on the basis of these orders there is no probability of demand crystallising. Hence no provision is considered necessary in respect of notice of demand received by the Company up to date aggregating to ₹1768.51 crore.

39 Details of Loans given, Investments made and Guarantees given covered under section 186 (4) of the Companies Act, 2013

a) Loans and Advances in the nature of Loans given to Subsidiaries and Associates

₹ in crore						
Sr. No.	Name of the Company	Nature	As at 31 st March 2015	Maximum balance during the year	As at 31 st March 2014	Maximum balance during the year
1.	Goldencross Pharma Pvt. Ltd.	Subsidiary	-	-	-	26.75
2.	Meditab Specialities Pvt. Ltd.	Subsidiary	224.15	242.60	234.15	234.15
3.	Mabpharm Pvt. Ltd.	Subsidiary	-	12.22	-	-
4.	Jay Precision Pharmaceuticals Pvt. Ltd.	Subsidiary	35.00	35.00	-	-

b) Loans given to Other Body Corporates

₹ in crore				
Sr. No.	Name of the Company	As at 31 st March 2015	Maximum balance during the year	As at 31 st March 2014
1.	Bakul Pharma Pvt. Ltd.	0.80	0.80	0.80
2.	U&I System Design Ltd.*	2.25	2.25	2.25

* The loan is considered doubtful and has been fully provided for.

- Notes:**
- All the above loans have been given for business purposes
 - The loans and advances shown above, fall under the category of 'Long Term Loans & Advances' and are repayable within 3 to 6 years except Short Term Loans and Advances to Bakul Pharma Pvt. Ltd.
 - All the above Loans and Advances are interest bearing except for an amount of ₹224.15 crore given to Meditab Specialities Pvt. Ltd.
 - Loans given to employees as per the Company's policy are not considered.

Notes to the accounts *contd.*

39 Details of Loans given, Investments made and Guarantees given covered under section 186 (4) of the Companies Act, 2013 *contd.*

c) Investments made are given under the respective heads.

d) The Company has not given any guarantee or provided any security in connection with a loan to any other body corporate or person.

	No. of Shares
Meditab Specialities Pvt. Ltd. has made the following investments in its subsidiaries	
a. Meditab Holdings Ltd.	4,46,20,100
b. Medispray Laboratories Pvt. Ltd.	51,020
c. Sitec Labs Pvt. Ltd.*	10,000
Meditab Specialities Pvt. Ltd. has made the following investments in its associates	
a. Stempeutics Research Pvt. Ltd.†	1,84,23,578
Meditab Holdings Ltd. has made the following investments in its subsidiaries	
a. Meditab Pharmaceuticals South Africa (Pty) Ltd.	1,00,000
b. Cipla Quality Chemical Industries Ltd.	46,60,749

* Loan outstanding ₹41 crore (Previous year ₹41 crore) and interest free. Maximum loan outstanding ₹41 crore (Previous year ₹41 crore)

† Loan outstanding Nil (Previous year ₹2.94 crore) bearing interest @ 8.25% p.a. Maximum loan outstanding ₹2.94 crore (Previous year ₹2.94 crore).

40 Related Party Disclosures

- i. As per AS-18, "Related Party Disclosures", the related parties where control exists or where significant influence exists and with whom transaction have taken place are as below:
- a. Subsidiary Companies including step-down subsidiaries, associate companies and joint venture:

Sr. No. Name of the Company

Subsidiaries (held directly)

1. Cipla FZE
2. Goldencross Pharma Pvt. Ltd.
3. Cipla (Mauritius) Ltd.
4. Meditab Specialities Pvt. Ltd.
5. Cipla Medpro South Africa Proprietary Ltd.
6. Cipla Holding B.V.
7. Mabpharm Pvt. Ltd.*
8. Cipla (EU) Ltd.
9. Saba Investment Ltd.
10. Jay Precision Pharmaceuticals Pvt. Ltd.†

Subsidiaries (held indirectly)

11. Cipla (UK) Ltd.
12. Cipla Australia Pty. Ltd.
13. Medispray Laboratories Pvt. Ltd.
14. Sitec Labs Pvt. Ltd.
15. Four M Propack Pvt. Ltd.
16. Meditab Holdings Ltd.
17. Meditab Specialities New Zealand Ltd.
18. Meditab Pharmaceuticals South Africa Proprietary Ltd.
19. Cipla İlaç Ticaret Anonim Şirketi

Notes to the accounts *contd.*

40 Related Party Disclosures *contd.*

Sr. No. Name of the Company

20. Cipla USA Inc.
21. Cipla Kenya Ltd.
22. Cipla Malaysia Sdn. Bhd.
23. Cipla Europe NV
24. Cipla Quality Chemical Industries Ltd.
25. Cipla Croatia d.o.o. (Formerly known as Celeris d.o.o.)
26. Inyanga Trading 386 Proprietary Ltd.
27. Xeragen Laboratories Proprietary Ltd.
28. Galilee Marketing Proprietary Ltd.
29. Cipla Medpro Manufacturing Proprietary Ltd.
30. Cipla Medpro Holdings Proprietary Ltd.
31. Cipla Nutrition Proprietary Ltd.
32. Cipla Health Care Proprietary Ltd.
33. Cipla-Medpro Distribution Centre Proprietary Ltd.
34. Cipla-Medpro Proprietary Ltd.
35. Medpro Pharmaceutica Proprietary Ltd.
36. Cipla Life Sciences Proprietary Ltd.
37. Cipla Personal Care Proprietary Ltd.
38. Cipla Vet Proprietary Ltd.
39. Cipla Agrimed Proprietary Ltd.
40. Cipla Dibcare Proprietary Ltd.
41. Cipla Medpro Botswana Proprietary Ltd.
42. Med Man Care Proprietary Ltd.
43. Medpro Pharmaceutica Africa Proprietary Ltd.
44. Cape to Cairo Exports Proprietary Ltd.
45. Cipla Medpro ARV Proprietary Ltd.
46. Cipla Medpro Cardio Respiratory Proprietary Ltd.
47. Cipla Medpro Research and Development Proprietary Ltd.
48. Gardian Cipla Proprietary Ltd.
49. Medpro Gen Proprietary Ltd.
50. Medpro Holdings Proprietary Ltd.
51. Medpro-On-Line Proprietary Ltd.
52. Smith and Couzin Proprietary Ltd.
53. Breathe Free Lanka (Private) Ltd.
54. Cipla Canada Inc.
55. Medica Pharmaceutical Industries Company Ltd.
56. Al-Jabal For Drugs and Medical Appliances Company Ltd.
57. Cipla Pharma Lanka (Private) Ltd.
58. Cipla Pharma Nigeria Ltd.

Associates

59. Stempeutics Research Pvt. Ltd.
60. Biomab Holding Ltd.
61. Jiangsu Cdymax Pharmaceuticals Co. Ltd.®
62. Mabpharm Pvt. Ltd.**

Joint Venture

63. Aspen-Cipla Australia Pty. Ltd.

* With effect from 24th July 2014

With effect from 26th February 2015

@ Upto 30th March 2015

** Upto 16th July 2014

Notes to the accounts *contd.*

40 Related Party Disclosures *contd.*

- b. Key Management Personnel
 - 1. Mr. Subhanu Saxena – Managing Director and Global Chief Executive Officer
 - 2. Mr. S. Radhakrishnan – Whole-time Director
 - 3. Mr. Rajesh Garg – Executive Director and Global Chief Financial Officer
- c. Entities over which Key Management Personnel are able to exercise significant influence
 - 1. Cipla Foundation

ii. Transactions during the year with related parties:

₹ in crore

Particulars	Subsidiaries		Associates/Joint Venture		Key Management Personnel including transactions with relatives of Key Management Personnel		Entities over which Key Management Personnel exercise significant influence		Total	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Interest received	0.34	0.67	-	-	-	-	-	-	0.34	0.67
Loans repaid	30.67	34.65	-	-	-	-	-	-	30.67	34.65
Investment in Equity	708.72	57.19	-	-	-	-	-	-	708.72	57.19
Loans given	55.67	117.57	-	-	-	-	-	-	55.67	117.57
Remuneration	-	-	-	-	21.98	36.10	-	-	21.98	36.10
Purchase of Goods	303.50	287.21	-	-	-	-	-	66.44	303.50	353.65
Processing charges paid	65.42	22.16	-	-	-	-	-	23.47	65.42	45.63
Testing and Analysis charges paid	62.45	48.00	-	-	-	-	-	-	62.45	48.00
Freight charges paid	0.99	1.57	-	-	-	-	-	-	0.99	1.57
Sale of Goods	830.54	549.44	-	28.34	-	-	-	30.17	830.54	607.95
Sale of Fixed Assets	1.42	1.90	-	-	-	-	-	1.17	1.42	3.07
Purchase of Fixed Assets	0.06	0.01	-	-	-	-	-	0.04	0.06	0.05
Processing charges received	3.64	2.40	-	-	-	-	-	0.71	3.64	3.11
Service charges paid	158.60	167.94	-	0.00*	-	-	-	1.82	158.60	169.76
Service charges received	14.34	-	-	13.62	-	-	-	-	14.34	13.62
Donations given	-	-	-	-	-	-	9.28	9.59	9.28	9.59
Rent paid	-	-	-	-	-	-	-	0.40	-	0.40
Rent received	3.00	-	-	2.95	-	0.00®	-	-	3.00	2.95
Reimbursement of operating/other expenses	0.46	0.04	-	-	-	-	-	0.47	0.46	0.51
Reimbursement received of operating/other expenses	13.22	8.03	-	0.08	-	-	-	0.03	13.22	8.14
Balances at end of the year										
Outstanding Payables	46.21	52.51	0.02	0.02	-	-	-	19.93	46.23	72.46
Outstanding Receivables	874.82	619.43	-	14.39	-	-	-	10.12	874.82	643.94

* ₹25000

® ₹20040

Notes to the accounts *contd.*

40 Related Party Disclosures *contd.*

Disclosures in respect of related party transactions during the year:

	₹ in crore	
	2015	2014
A. Interest received		
Goldencross Pharma Pvt. Ltd.	-	0.67
Jay Precision Pharmaceuticals Pvt. Ltd.	0.02	-
Meditab Specialities Pvt. Ltd.	0.19	-
Mabpharm Pvt. Ltd.	0.13	-
	<u>0.34</u>	<u>0.67</u>
B. Loans Repaid		
Goldencross Pharma Pvt. Ltd.	-	26.75
Meditab Specialities Pvt. Ltd.	18.45	7.90
Mabpharm Pvt. Ltd.	12.22	-
	<u>30.67</u>	<u>34.65</u>
C. Investment in Equity		
Cipla (Mauritius) Ltd.	121.34	4.12
Cipla Holding B.V.	119.62	53.07
Mabpharm Pvt. Ltd.	54.07	-
Cipla (EU) Ltd.	37.76	-
Saba Investment Ltd.	257.69	-
Meditab Specialities Pvt. Ltd.	22.00	-
Jay Precision Pharmaceuticals Pvt. Ltd.	96.24	-
	<u>708.72</u>	<u>57.19</u>
D. Loans given		
Jay Precision Pharmaceuticals Pvt. Ltd.	35.00	-
Meditab Specialities Pvt. Ltd.	8.45	117.57
Mabpharm Pvt. Ltd.	12.22	-
	<u>55.67</u>	<u>117.57</u>
E. Remuneration		
Dr. Y. K. Hamied ⁵	-	2.00
Mr. M. K. Hamied ⁴	-	6.88
Mr. S. Radhakrishnan	3.69	3.67
Mr. Kamil Hamied ⁵	-	0.96
Ms. Samina Vaziralli ⁵	-	0.90
Mr. Subhanu Saxena	13.31	21.69
Mr. Rajesh Garg	4.98	-
	<u>21.98</u>	<u>36.10</u>
F. Purchase of Goods		
Goldencross Pharma Pvt. Ltd.	237.18	252.07
Medispray Laboratories Pvt. Ltd.	33.49	13.11
Meditab Specialities Pvt. Ltd.	0.24	0.73
Four M Propack Pvt. Ltd.	10.41	7.89
Okasa Pharma Pvt. Ltd. ⁶	-	44.38
Okasa Pvt. Ltd. ⁶	-	22.06

Notes to the accounts *contd.*

40 Related Party Disclosures *contd.*

	₹ in crore	
	2015	2014
Cipla Medpro Manufacturing Proprietary Ltd.	-	12.34
Cipla Medpro South Africa Proprietary Ltd.	0.42	-
Sitec Labs Pvt. Ltd.	0.31	1.07
Jay Precision Pharmaceuticals Pvt. Ltd	9.59	-
Cipla Quality Chemical Industries Ltd.	11.86	-
	303.50	353.65
G. Processing charges paid		
Goldencross Pharma Pvt. Ltd.	9.11	3.23
Medispray Laboratories Pvt. Ltd.	19.51	5.42
Meditab Specialities Pvt. Ltd.	36.80	13.51
Okasa Pharma Pvt. Ltd. ⁶	-	8.73
Okasa Pvt. Ltd. ⁶	-	14.74
	65.42	45.63
H. Testing and Analysis charges paid		
Sitec Labs Pvt. Ltd.	62.45	48.00
	62.45	48.00
I. Freight charges paid		
Four M Propack Pvt. Ltd.	-	0.37
Meditab Specialities Pvt. Ltd.	0.49	0.74
Goldencross Pharma Pvt. Ltd.	0.50	0.46
	0.99	1.57
J. Sale of Goods		
Goldencross Pharma Pvt. Ltd.	2.16	2.06
Meditab Specialities Pvt. Ltd.	6.62	2.77
Four M Propack Pvt. Ltd.	-	0.00 ¹
Medispray Laboratories Pvt. Ltd.	16.31	12.82
Okasa Pharma Pvt. Ltd. ⁶	-	27.64
Okasa Pvt. Ltd. ⁶	-	2.53
Cipla Quality Chemical Industries Ltd.	11.21	28.34
Sitec Labs Pvt. Ltd.	0.02	0.01
Cipla (EU) Ltd.	95.34	3.52
Cipla Agrimed Proprietary Ltd.	5.57	0.54
Cipla Life Sciences Proprietary Ltd.	41.68	17.78
Cipla Vet Proprietary Ltd.	5.33	2.57
Cipla Medpro South Africa Proprietary Ltd.	511.95	507.37
Medpro Pharmaceutica Proprietary Ltd.	7.76	-
Cipla Australia Pty Ltd.	0.85	-
Cipla USA Inc.	36.60	-
Saba Investment Ltd.	31.77	-
Breathe Free Lanka (Private) Ltd.	57.37	-
	830.54	607.95

Notes to the accounts *contd.*

40 Related Party Disclosures *contd.*

	₹ in crore	
	2015	2014
K. Sale of Fixed Assets		
Meditab Specialities Pvt. Ltd.	0.08	0.79
Goldencross Pharma Pvt. Ltd.	-	0.69
Okasa Pharma Pvt. Ltd. ⁶	-	1.00
Okasa Pvt. Ltd. ⁶	-	0.17
Four M Propack Pvt. Ltd.	-	0.04
Medispray Laboratories Pvt. Ltd.	0.01	0.22
Sitec Labs Pvt. Ltd.	1.33	0.16
	<u>1.42</u>	<u>3.07</u>
L. Purchase of Fixed Assets		
Meditab Specialities Pvt. Ltd.	0.05	0.01
Okasa Pharma Pvt. Ltd. ⁶	-	0.04
Medispray Laboratories Pvt. Ltd.	0.01	-
	<u>0.06</u>	<u>0.05</u>
M. Processing charges received		
Meditab Specialities Pvt. Ltd.	0.91	0.38
Medispray Laboratories Pvt. Ltd.	2.73	2.02
Okasa Pharma Pvt. Ltd. ⁶	-	0.45
Okasa Pvt. Ltd. ⁶	-	0.26
	<u>3.64</u>	<u>3.11</u>
N. Service charges paid		
Mabpharm Pvt. Ltd.	0.65	0.00 ²
Cipla (EU) Ltd.	40.23	49.99
Cipla (UK) Ltd.	8.76	65.71
Cipla Australia Pty Ltd.	10.56	13.30
Cipla İlaç Ticaret Anonim Şirketi	0.82	1.02
Cipla USA Inc.	33.99	31.38
Cipla Kenya Ltd.	4.68	1.51
Cipla Malaysia Sdn. Bhd.	3.80	5.03
Cipla Europe NV	52.24	-
Cipla Canada Inc.	2.87	-
Hamied Foundation	-	1.82
	<u>158.60</u>	<u>169.76</u>
O. Service charges received		
Mabpharm Pvt. Ltd.	1.70	1.64
Cipla Quality Chemical Industries Ltd.	12.64	11.98
	<u>14.34</u>	<u>13.62</u>
P. Donations given		
Cipla Foundation ⁷	9.28	7.27
Cipla Cancer and AIDS Foundation ⁶	-	2.32
	<u>9.28</u>	<u>9.59</u>

Notes to the accounts *contd.*

40 Related Party Disclosures *contd.*

	₹ in crore	
	2015	2014
Q. Rent paid		
Okasa Pvt.Ltd. ⁶	-	0.40
	-	0.40
R. Rent received		
Dr. Y.K. Hamied ⁵	-	0.00 ³
Mabpharm Pvt. Ltd.	3.00	2.95
	3.00	2.95
S. Reimbursement of Operating/Other Expenses		
Meditab Specialities Pvt. Ltd.	0.28	0.02
Okasa Pharma Pvt. Ltd. ⁶	-	0.37
Okasa Pvt. Ltd. ⁶	-	0.10
Medispray Laboratories Pvt. Ltd.	0.18	0.02
	0.46	0.51
T. Reimbursement received of Operating/Other Expenses		
Goldencross Pharma Pvt. Ltd.	0.01	0.15
Meditab Specialities Pvt. Ltd.	0.01	0.02
Okasa Pharma Pvt. Ltd. ⁶	-	0.03
Okasa Pvt. Ltd. ⁶	0.28	-
Cipla (EU) Ltd.	0.39	0.41
Cipla Australia Pty. Ltd.	-	0.11
Cipla (UK) Ltd.	-	1.12
Cipla Agrimed Proprietary Ltd.	-	0.01
Cipla Life Sciences Proprietary Ltd.	-	0.26
Cipla Vet Proprietary Ltd.	-	0.10
Cipla Medpro South Africa Proprietary Ltd.	2.12	4.51
Cipla Quality Chemical Industries Ltd.	1.07	0.04
Cipla USA Inc.	4.91	1.29
Four M Propack Pvt. Ltd.	-	0.01
Medispray Laboratories Pvt. Ltd.	0.01	0.04
Mabpharm Pvt. Ltd.	0.04	0.04
Sitec Labs Pvt. Ltd.	0.01	-
Cipla Europe NV	4.21	-
Cipla Holding BV	0.16	-
	13.22	8.14
U. Outstanding Payables		
Goldencross Pharma Pvt. Ltd.	16.08	23.21
Four M Propack Pvt. Ltd.	1.06	0.55
Sitec Labs Pvt. Ltd.	12.33	7.55
Okasa Pharma Pvt. Ltd. ⁶	-	19.93
Cipla (UK) Ltd.	6.51	4.87
Cipla Australia Pty. Ltd.	1.58	0.69
Cipla İlaç Ticaret Anonim Şirketi	0.15	0.07

Notes to the accounts *contd.*

40 Related Party Disclosures *contd.*

	₹ in crore	
	2015	2014
Cipla Kenya Ltd.	0.34	0.53
Cipla USA Inc.	-	2.49
Cipla Medpro Manufacturing Proprietary Ltd.	0.04	12.04
Cipla Malaysia Sdn. Bhd.	0.30	0.51
Cipla Canada Inc.	2.86	-
Cipla (Mauritius) Ltd.	2.81	-
Meditab Holdings Ltd.	2.15	-
Stempeutics Research Pvt. Ltd.	0.02	0.02
	46.23	72.46
V. Outstanding Receivables		
Al-Jabal For Drugs and Medical Appliances Company Ltd.	39.03	-
Meditab Specialities Pvt. Ltd.	268.74	287.48
Medispray Laboratories Pvt. Ltd.	10.44	6.06
Jay Precision Pharmaceuticals Pvt. Ltd.	19.07	-
Okasa Pvt. Ltd. ⁶	-	10.12
Mabpharm Pvt. Ltd.	0.01	9.18
Cipla Quality Chemical Industries Ltd.	3.77	5.21
Cipla (EU) Ltd.	76.74	0.63
Cipla Agrimed Proprietary Ltd.	4.82	0.53
Cipla Life Sciences Proprietary Ltd.	30.13	14.24
Cipla Vet Proprietary Ltd.	1.68	1.66
Cipla Medpro South Africa Proprietary Ltd.	259.96	305.94
Cipla Medpro Manufacturing Proprietary Ltd.	0.08	-
Cipla USA Inc.	59.53	-
Cipla Pharma Lanka (Pvt.) Ltd.	96.45	-
Cipla Europe NV	4.21	-
Cipla Holding B.V.	0.16	-
Cipla Croatia d.o.o.	-	2.89
	874.82	643.94

¹ ₹19459.21

² ₹25000

³ ₹20040

⁴ Non-Executive Vice-Chairman effective 1st April 2014

⁵ Relatives of Non-Executive Vice-Chairman effective 1st April 2014

⁶ Entities on which Non-Executive Chairman or Non-Executive Vice-Chairman have significant influence

⁷ Entity on which Whole-time Director has significant influence

41 During the year, the Company acquired 51% stake in Saba Investment Ltd., UAE, which in turn holds 99% stake in two entities in Yemen. Accordingly the Company's effective stake in the Yemen entities is 50.49%.

As per the share purchase agreement, a provision of USD 20.3 million (equivalent to ₹126.88 crore) has been accounted for and given effect in these financial statements towards additional consideration to be paid on achievement of agreed milestones.

Notes to the accounts *contd.*

42 Basic and Diluted Earnings per share has been computed as under

	2015	2014
Profit for the Year (₹ in crore)	1181.09	1388.34
Basic Weighted Average No. of Shares Outstanding	80,29,29,709	80,29,21,357
Basic Earnings per share	₹14.71	₹17.29
ESOSs outstanding	26,58,008	11,58,193
Diluted Weighted Average No. of Shares Outstanding	80,55,87,717	80,40,79,550
Diluted Earnings per share	₹14.66	₹17.27
Face value per share	₹2.00	₹2.00

43 Employee Stock Option Schemes

The Company has implemented "ESOS 2013", "ESOS 2013 - A" and "ESOS 2013 - B" as approved by the Shareholders on 8th April 2013, 22nd August 2013 and 22nd August 2013 respectively. Details of the Options granted during the year under the Scheme(s) are as given below:

Scheme Details	Grant date	No. of Options Granted	Exercise Price (₹) per option	Vesting period	Exercise Period
ESOS 2013 - A	08-Sep-14	95,248	2.00	1 to 2 years	5 years from Vesting date
ESOS 2013 - A	31-Oct-14	9,22,230	2.00	1 to 2 years	5 years from Vesting date
ESOS 2013 - A	11-Feb-15	43,495	2.00	1 to 2 years	5 years from Vesting date
ESOS 2013 - A	11-Feb-15	18,131	2.00	1 to 2 years	5 years from Vesting date
ESOS 2013 - A	11-Feb-15	522	2.00	1 to 2 years	5 years from Vesting date

The options are granted at an exercise price, which is in accordance with the relevant SEBI regulations 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.

Stock Option activity under the Scheme(s) for the year ended 31st March 2015 is set out below:

ESOS 2013

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	10,00,000	197.50	197.50	7.23
Granted during the year	-	-	-	-
Forfeited/Cancelled during the year	-	-	-	-
Exercised during the year	-	-	-	-
Outstanding at the end of the year	10,00,000	197.50	197.50	6.23
Exercisable at the end of the year	-	-	-	-

Notes to the accounts *contd.*

43 Employee Stock Option Schemes *contd.*

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	14,71,797	2.00	2.00	6.36
Granted during the year	10,79,626	-	-	-
Forfeited/Cancelled during the year	2,81,313	-	-	-
Exercised during the year	39,083	-	-	-
Outstanding at the end of the year	22,31,027	2.00	2.00	5.98
Exercisable at the end of the year	2,18,014	2.00	2.00	4.76

ESOS 2013 - B

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	5,22,194	220.78	220.78	7.67
Granted during the year	-	-	-	-
Forfeited/Cancelled during the year	-	-	-	-
Exercised during the year	-	-	-	-
Outstanding at the end of the year	5,22,194	220.78	220.78	6.67
Exercisable at the end of the year	-	-	-	-

The Black Scholes valuation model has been used for computing weighted average fair value considering the following inputs:

Particulars	ESOS 2013	ESOS 2013 - A	ESOS 2013 - B
Expected dividend yield	No Options	0.31%	No Options
Expected volatility	Granted during the Year	23.80%	Granted during the Year
Risk-free interest rate		8.34%	
Weighted average share price (₹)		641.78	
Exercise price (₹)		2.00	
Expected life of options granted in years		4.50	
Weighted average fair value of options (₹)		631.48	

Notes to the accounts *contd.*

43 Employee Stock Option Schemes *contd.*

The stock-based compensation cost calculated as per the intrinsic value method for the period 1st April 2014 to 31st March 2015 is ₹39.45 crore (excluding ₹11.45 crore pertaining to options granted to employees of subsidiary companies and step-down subsidiary companies). If the stock-based compensation cost was calculated as per the fair value method prescribed by SEBI, the total cost to be recognised in the financial statements for the period 1st April 2014 to 31st March 2015 would be ₹42.74 crore. The effect of adopting the fair value method on the net income and earnings per share is presented below:

		₹ in crore	
Particulars		2015	2014
Profit after tax as reported		1181.09	1388.34
Add: ESOS cost using intrinsic value method		39.45	18.40
Less: ESOS cost using fair value method		42.74	21.26
Adjusted profit after tax		1177.80	1385.48
Earnings per share			
Basic			
	As reported	₹14.71	₹17.29
	Adjusted	₹14.67	₹17.26
Diluted			
	As reported	₹14.66	₹17.27
	Adjusted	₹14.62	₹17.23

44 Corporate Social Responsibility (CSR) Expenditure

The Company has incurred a total expenditure of ₹13.43 crore, which is being debited to the profit and loss account for the year ended 31st March 2015.

Nature of expenses	Schedule in the financial statements	Amount (₹ in crore)
Donation to the trusts set for CSR purposes	Other expenses (Note 28)	12.79
Administrative expenses incurred in connection with supervising the projects handled by the trusts	Salaries and wages (Note 25)	0.64
Total		13.43

The CSR committee constituted by the Board of Directors of the Company under section 135 of the Act supervises all the expenditure incurred for CSR purposes. The Company makes contribution to 2 trusts being set up to execute and manage the projects being undertaken as directed and monitored by the CSR committee.

Notes to the accounts *contd.*

44 Corporate Social Responsibility (CSR) Expenditure *contd.*

Following is the information regarding projects undertaken and expenses incurred on CSR activities during the year ended 31st March 2015:

- i. Gross amount required to be spent by the Company during the year - ₹34.86 crore
- ii. Amount spent during the year on (by way of contribution to the trusts and projects undertaken):

₹ in crore

Particulars	Amount paid in cash	Amount yet to be paid in cash	Total amount
Construction of asset	4.58	-	4.58
Other projects	8.21	-	8.21
Administrative expenses	0.64	-	0.64
Total	13.43	-	13.43

45 Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

As per our report of even date			
For V. Sankar Aiyar & Co., Chartered Accountants Firm Reg. No. 109208W	For R.G.N. Price & Co., Chartered Accountants Firm Reg. No. 002785S	Subhanu Saxena Managing Director and Global Chief Executive Officer	Rajesh Garg Executive Director and Global Chief Financial Officer
V. Mohan Partner Membership No. 17748	R. Rangarajan Partner Membership No. 41883		Mital Sanghvi Company Secretary
Mumbai, 29 th May 2015			Mumbai, 29 th May 2015

Salient Features of Financial Statements of Subsidiaries/Associates/Joint Ventures

Statement pursuant to section 129(3) of the Companies Act, 2013 related to Subsidiaries and Associates Companies
Part A: Information on Subsidiaries

Sr. No.	Name of the Subsidiary Company	Reporting Currency	Exchange Rate on 31.03.2015	Share Capital	Reserves & 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
₹ in crore															
1	Cipla (EU) Ltd.	GBP	92.4700	32.64	(9.94)	140.69	117.99	-	88.26	(13.32)	(0.56)	(12.76)	-	100	U.K.
2	Cipla (Mauritius) Ltd.	USD	62.5000	134.69	2.53	137.30	0.07	-	-	3.29	-	3.29	-	100	Mauritius
3	Cipla (UK) Ltd.	GBP	92.4700	1.39	3.30	10.35	5.66	-	8.60	0.26	(0.01)	0.27	-	100	U.K.
4	Cipla Australia Pty. Ltd.	AUD	47.5350	1.19	0.74	2.34	0.41	-	9.50	0.46	0.12	0.34	-	100	Australia
5	Cipla FZE	AED	17.0150	25.52	(2.39)	23.24	0.11	-	-	(0.02)	-	(0.02)	-	100	U.A.E.
6	Cipla ilaç Ticaret Anonim Şirketi*	TRY	23.9654	0.12	0.10	0.34	0.12	-	0.74	0.09	0.02	0.07	-	100	Turkey
7	Cipla Kenya Ltd.	KES	0.6761	0.01	0.06	0.91	0.84	-	4.56	0.21	0.12	0.09	-	100	Kenya
8	Cipla Malaysia Sdn. Bhd.	MYR	16.8750	0.98	0.27	1.31	0.06	-	3.50	0.16	0.04	0.12	-	100	Malaysia
9	Cipla USA Inc.	USD	62.5000	15.00	(13.99)	106.51	105.50	-	37.91	(23.92)	(8.44)	(15.48)	-	100	U.S.A.
10	Cipla Medpro South Africa Proprietary Ltd.	ZAR	5.1175	0.23	304.40	770.34	465.71	-	93.62	(15.85)	(3.36)	(12.49)	-	100	South Africa
11	Cape To Cairo Exports Proprietary Ltd.	ZAR	5.1175	-	-	-	-	-	-	-	-	-	-	100	South Africa
12	Cipla Agrimed Proprietary Ltd.	ZAR	5.1175	-	39.57	71.41	31.84	-	77.90	15.00	4.76	10.24	-	100	South Africa
13	Cipla Dibcare Proprietary Ltd.	ZAR	5.1175	-	0.21	0.21	-	-	-	-	(0.02)	0.02	-	100	South Africa
14	Cipla Health Care Proprietary Ltd.	ZAR	5.1175	-	7.85	7.86	0.01	-	-	-	0.01	(0.01)	-	100	South Africa
15	Cipla Life Sciences Proprietary Ltd.	ZAR	5.1175	-	132.67	134.75	2.08	-	9.98	9.85	2.87	6.98	-	100	South Africa
16	Cipla Medpro ARV Proprietary Ltd.	ZAR	5.1175	-	0.27	0.27	-	-	-	-	-	-	-	100	South Africa
17	Cipla Medpro Cardio Respiratory Proprietary Ltd.	ZAR	5.1175	-	-	-	-	-	-	-	-	-	-	100	South Africa
18	Cipla Medpro Manufacturing Proprietary Ltd.	ZAR	5.1175	-	-	-	-	-	-	0.01	-	0.01	-	100	South Africa
19	Cipla Medpro Research and Development Proprietary Ltd.	ZAR	5.1175	-	-	-	-	-	-	-	-	-	-	100	South Africa
20	Cipla-Medpro Proprietary Ltd.	ZAR	5.1175	-	257.86	281.89	24.03	-	46.57	41.07	12.04	29.03	-	100	South Africa
21	Cipla Personal Care Proprietary Ltd.	ZAR	5.1175	-	4.82	4.82	-	-	-	-	-	-	-	100	South Africa

Salient Features of Financial Statements of Subsidiaries/Associates/Joint Ventures *contd.*

Sr. No.	Name of the Subsidiary Company	Reporting Currency	Exchange Rate on 31.03.2015	Share Capital	Reserves & 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
22	Cipla Vet Proprietary Ltd.	ZAR	5.1175	-	33.97	36.53	2.56	18.59	22.97	12.15	2.49	9.66	-	100	South Africa
23	Cipla-Medpro Distribution Centre Proprietary Ltd.	ZAR	5.1175	-	0.28	3.91	3.63	-	32.57	-	-	-	-	100	South Africa
24	Gallilee Marketing Proprietary Ltd.	ZAR	5.1175	-	(0.01)	-	0.01	-	-	(0.01)	-	(0.01)	-	100	South Africa
25	Gardian Cipla Proprietary Ltd.	ZAR	5.1175	-	0.11	0.11	-	-	-	-	-	-	-	100	South Africa
26	Inyanga Trading 386 Proprietary Ltd.	ZAR	5.1175	-	27.26	711.96	684.70	-	-	-	0.03	(0.03)	-	100	South Africa
27	Medpro Gen Proprietary Ltd.	ZAR	5.1175	-	-	-	-	-	-	-	-	-	-	100	South Africa
28	Medpro Holdings Proprietary Ltd.	ZAR	5.1175	-	-	-	-	-	-	-	-	-	-	100	South Africa
29	Medpro Pharmaceutica Africa Proprietary Ltd.	ZAR	5.1175	-	-	-	-	-	-	-	-	-	-	100	South Africa
30	Medpro Pharmaceutica Proprietary Ltd.	ZAR	5.1175	-	392.81	1447.32	1054.51	-	1187.05	64.76	22.97	41.79	-	100	South Africa
31	Medpro-On-Line Proprietary Ltd.	ZAR	5.1175	-	-	-	-	-	-	-	-	-	-	100	South Africa
32	Cipla Nutrition Proprietary Ltd.	ZAR	5.1175	-	(7.57)	4.52	12.09	-	3.86	(4.87)	(1.37)	(3.50)	-	80	South Africa
33	Smith And Cousin Proprietary Ltd.	ZAR	5.1175	-	-	-	-	-	-	-	-	-	-	100	South Africa
34	Xeragen Laboratories Proprietary Ltd.	ZAR	5.1175	-	7.01	7.01	-	-	-	-	-	-	-	100	South Africa
35	Cipla Medpro Botswana Proprietary Ltd.	ZAR	5.1175	-	-	-	-	-	-	-	-	-	-	100	South Africa
36	Cipla Medpro Holdings Proprietary Ltd.	ZAR	5.1175	-	5.11	318.31	313.20	-	-	0.13	-	0.13	-	100	South Africa
37	Med man Care Proprietary Ltd.	ZAR	5.1175	-	-	-	-	-	-	-	-	-	-	100	South Africa
38	Cipla Holding B.V.	EUR	67.1900	144.71	(2.77)	155.37	13.43	-	7.84	(0.99)	-	(0.99)	-	100	Netherlands
39	Cipla Europe NV	EUR	67.1900	47.70	(71.69)	78.20	102.19	-	57.50	(66.85)	0.02	(66.87)	-	100	Belgium
40	Cipla Croatia d.o.o.	EUR	67.1900	0.02	5.14	19.31	14.15	-	13.14	(0.82)	-	(0.82)	-	100	Croatia
41	Cipla Quality Chemical Industries Ltd.	UGX	47.8321	95.44	72.76	194.88	26.68	-	244.53	70.38	-	70.38	-	51.05	Uganda

Salient Features of Financial Statements of Subsidiaries/Associates/Joint Ventures *contd.*

Sr. No.	Name of the Subsidiary Company	Reporting Currency	Exchange Rate on 31.03.2015	Share Capital	Reserves & 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
42	Four M Propack Pvt. Ltd.	INR	1.0000	0.06	14.99	15.89	0.84	0.16	11.10	1.15	0.08	1.07	-	100	India
43	Goldencross Pharma Pvt. Ltd.	INR	1.0000	0.05	247.72	286.09	38.33	5.00	226.44	22.19	3.76	18.43	-	100	India
44	Medispray Laboratories Pvt. Ltd.	INR	1.0000	0.05	111.53	209.26	97.68	0.78	109.38	44.24	15.00	29.24	-	100	India
45	Mediab Holdings Ltd.	USD	62.5000	278.88	61.44	340.33	0.01	118.75	-	(9.37)	-	(9.37)	-	100	Mauritius
46	Mediab Pharmaceuticals South Africa (Pty) Ltd.	ZAR	5.1175	0.05	(0.05)	0.01	0.01	-	-	(0.01)	-	(0.01)	-	100	South Africa
47	Mediab Specialities New Zealand Ltd.	NZD	46.7600	0.29	(0.22)	0.08	0.01	-	-	(0.05)	-	(0.05)	-	100	New Zealand
48	Mediab Specialities Pvt. Ltd.	INR	1.0000	0.62	147.99	443.10	294.49	54.93	53.18	12.84	3.06	9.78	-	100	India
49	Sitex Labs Pvt. Ltd.	INR	1.0000	0.01	11.19	65.57	54.37	-	66.38	8.79	2.89	5.90	-	100	India
50	Mabpharm Pvt. Ltd.	INR	1.0000	100.00	38.51	141.73	3.22	-	0.77	(21.49)	(7.01)	(14.48)	-	100	India
51	Saba Investment Ltd.	USD	62.5000	190.63	(0.11)	190.86	0.34	-	-	(0.11)	-	(0.11)	-	51	U.A.E.
52	Jay Precision Pharmaceuticals Pvt. Ltd.	INR	1.0000	4.01	35.86	98.67	58.80	-	77.84	26.62	9.45	17.17	-	60	India
53	Breathe Free Lanka (Pvt.) Ltd.	LKR	0.4669	6.07	0.01	55.88	49.80	-	57.52	0.03	0.02	0.01	-	100	Sri Lanka
54	Cipla Canada Inc.	CAD	49.0325	-	0.30	2.85	2.55	-	2.85	0.37	0.07	0.30	-	100	Canada
55	Medica Pharmaceutical Industries Company Ltd.	USD	62.5000	26.45	(23.93)	193.29	190.77	-	-	(7.55)	-	(7.55)	-	50.49	Yemen
56	Al-Jabal For Drugs and Medical Appliances Company Ltd.	YR	0.2893	1.45	32.94	133.42	99.03	-	117.89	32.50	6.38	26.12	-	50.49	Yemen
57	Cipla Pharma Lanka (Pvt.) Ltd.	LKR	0.4669	0.05	(3.26)	58.20	61.41	-	56.54	(3.30)	(0.04)	(3.26)	-	60	Sri Lanka
58	Cipla Pharma Nigeria Ltd.	NGN	0.3134	-	-	-	-	-	-	-	-	-	-	100	Nigeria

Notes: i. “-” represents amounts less than 0.01 crore and rounded off.

ii. * The reporting period of the Company is 31st December.

Salient Features of Financial Statements of Subsidiaries/Associates/Joint Ventures *contd.*

Part B: Associates and Joint Ventures

Shares of Associate/Joint Ventures held by the Company on the year end						Profit/Loss for the year				
Sr. No.	Name of Associates/Joint Ventures	Latest audited Balance Sheet Date	No.	Amount of Investment in Associates/Joint Ventures (₹ in crore)	Extent of Holding %	Net worth attributable to Shareholding as per latest audited Balance Sheet (₹ in crore)	Considered in Consolidation (₹ in crore)	Not Considered in Consolidation	Description of how there is significant influence	Reason why the Associate/Joint Venture is not consolidated
Associates										
1	Stempeutics Research Pvt. Ltd.	31.03.2014	1,84,23,578	13.82	49.00	9.97	(18.92)	-	Note - i	-
2	Biomab Holding Ltd.	31.12.2013	87,33,333	107.63	25.00	63.56	(3.00)	-	Note - i	-
3	Jiangsu Cdymax Pharmaceuticals Co.Ltd. *	31.12.2014	-	-	-	-	(2.62)	-	Note - i	-
4	Mabpharm Pvt. Ltd. #	31.03.2015	-	-	-	-	(0.76)	-	Note - i	-
Joint Ventures										
1	Aspen-Cipla Australia Pty. Ltd.®	30.06.2014	-	-	-	-	-	-	Note - i	-
Notes: i. There is significant influence due to percentage(%) of Share Capital. ii. The above statement also indicates performance and financial position of each of the associates. iii. * Divested on 31 st March 2015 iv. # During the year the Company acquired an additional 75% stake in Mabpharm Pvt. Ltd. Consequent to the acquisition of aforesaid additional stake, Mabpharm Pvt. Ltd. is wholly owned subsidiary of the Company. v. ® Application for de-registration of the Company was made during the financial year and the Company was de-registered on 6 th April 2015. vi. “-” represents amounts less than 0.01 crore and rounded off.										
As per our report of even date										
For V. Sankar Aiyar & Co., Chartered Accountants Firm Reg. No. 109208W						Subhanu Saxena Managing Director and Global Chief Executive Officer				
J. Mohan Partner Membership No. 17748						Rajesh Garg Executive Director and Global Chief Financial Officer				
						Mital Sanghvi Company Secretary				
Mumbai, 29 th May 2015						Mumbai, 29 th May 2015				

Independent Auditors' Report on the Consolidated Financial Statements

To the Members of Cipla Limited

Report on the Consolidated Financial Statements

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"), its associates and jointly controlled entities which comprise the Consolidated Balance Sheet as at 31st March 2015, the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

Management's Responsibility for the Consolidated Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associates and jointly controlled entities in accordance with the accounting principles generally accepted in India including Accounting Standards referred under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible 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 frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.
5. We conducted our audit in accordance with the Standards on Auditing specified under sub-section (10) of section 143 of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Group's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial control system over the financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.
7. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the other matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Independent Auditors' Report on the Consolidated Financial Statements *contd.*

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- i. in the case of the Consolidated Balance Sheet, of the consolidated state of affairs of the Group, its associates and jointly controlled entities as at 31st March 2015;
 - ii. in the case of the Consolidated Statement of Profit and Loss, of the consolidated profit of the Group for the year ended on that date, and
 - iii. in the case of the Consolidated Cash Flow Statement, of the consolidated cash flows of the Group for the year ended on that date.

Other Matters

9. Financial statements of 4 subsidiaries, which reflect total assets of ₹954.38 crore as at 31st March 2015, total revenue of ₹400.07 crore and net cash inflow of ₹62.99 crore for the year then ended, have been audited by one of us.
10. We did not audit the financial statements/consolidated financial statements of 45 subsidiaries, whose financial statements reflect total assets of ₹2315.94 crore as at 31st March 2015, total revenue of ₹2066.80 crore and net cash inflow of ₹248.82 crore for the year then ended on that date as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of loss of ₹0.76 crore for the year ended 31st March 2015 in respect of 1 Associate for the period from 1st April 2014 upto 16th July 2014 respectively, the date of conversion from associate to subsidiary, whose financial statements have not been audited by us. These financial statements/consolidated financial statements have been audited by other auditors (hereinafter referred to as "the other auditors") whose reports 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 these subsidiaries and associates, and our report in terms of sub-sections (3) and (11) of section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associates, is based solely on the reports of those other auditors.
11. We did not audit the financial statements/consolidated financial statements of 9 subsidiaries and 1 jointly controlled entity, whose financial statements reflect total assets of ₹441.40 crore as at 31st March 2015, total revenue of ₹203.49 crore and net cash inflows of ₹43.30 crore for the year then ended on that date as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of loss of ₹24.53 crore for the year ended 31st March 2015 as is considered in the consolidated financial statements in respect of 3 Associates, whose financial statements have not been audited by us. These financial statements are unaudited whose reports 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 these subsidiaries and associates, and our report in terms of sub-sections (3) and (11) of section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, jointly controlled entities and associates, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material for the Group.

Our opinion on the consolidated financial statements, and our report on other legal and regulatory requirements below, is not qualified in respect of the above matters with respect to our reliance on the work done and the reports of other auditors and the financial statements/financial information certified by the Management.

Independent Auditors' Report on the Consolidated Financial Statements *contd.*

Report on Other Legal and Regulatory Requirements

12. As required by the Companies (Auditor's Report) Order 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on the comments in the audit reports of the Holding Company, subsidiary companies, associate companies incorporated in India ("Group and its Associates"), excluding one of the associates which have been consolidated based on management accounts, we give in the Annexure a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.
13. As required by sub-section (3) of section 143 of the Act, we report that:
- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement 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.
 - In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - On the basis of the written representations received from the directors of the Holding Company as on 31st March 2015 taken on record by the Board of Directors of the Holding Company and the statutory auditors of its subsidiary companies, associate companies incorporated in India, none of the directors of the group companies, its associates incorporated in India is disqualified as on 31st March 2015 from being appointed as a director in terms of sub-section (2) of section 164 of the Act.
 - 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, in our opinion and to the best of our information and according to the explanations given to us:
 - The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, its associates – Refer Notes 32, 33, 34 and 35 to the financial statements;
 - The Group, its associates did not have any material foreseeable losses on long term contracts including derivative contracts.
 - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and there were no amounts required to be transferred to Investor Education and protection fund by the subsidiary companies incorporated in India.

For V. Sankar Aiyar & Co.
Chartered Accountants
Firm Reg No. 109208W

V. Mohan
Partner
Membership No. 17748

Mumbai, 29th May 2015

For R.G.N. Price & Co.
Chartered Accountants
Firm Reg No. 002785S

R. Rangarajan
Partner
Membership No. 41883

Mumbai, 29th May 2015

Annexure to the Independent Auditors' Report on the Consolidated Financial Statements

(Referred to paragraph 1 under "Report on Other Legal and Regulatory Requirements" of our Independent Auditors' Report to the Members of Cipla Limited on the Consolidated Financial Statements for the year ended 31st March 2015.)

1. a. The Group and its associates have generally maintained proper records showing full particulars, including quantitative details and situation of fixed assets, other than situation of furniture and fixtures and office equipment where the situation recorded is the location of the respective companies different establishments.
- b. The Group and its associates have a policy of physically verifying its fixed assets in a phased manner to cover all the assets in a block of three years, which in our opinion, is reasonable having regard to the size of the Group and its associates and the nature of its business. During the year, some of the fixed assets have been physically verified by the Management and discrepancies noticed during the physical verification, which were not material, have been appropriately dealt with in the books of account.
2. a. In respect of the Group and its associates, inventory has been physically verified by the Management at reasonable intervals during the year. The verification was done on the basis of the perpetual inventory system. In case of materials lying with third parties, certificates confirming such inventory have been obtained from most of the third parties.
- b. In our opinion and on the basis of the information and explanations given to us, the procedures for physical verification of inventory followed by the Management were reasonable and adequate in relation to the size of each of the Company and the nature of its business.
- c. In our opinion and on the basis of the information and explanations given to us, the Group and its associates have maintained proper records of inventory. The discrepancies noticed on physical verification of inventory, as compared with the book records, were not material and have been properly dealt with in the books of account of the respective companies.
3. The Holding Company and subsidiary companies incorporated in India have granted loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under section 189 of the Act:
 - a. The receipts of principal amounts and interest have been regular/as per stipulations.
 - b. There are no overdue amounts in excess of rupees one lakh remaining outstanding as at the year end.
4. In our opinion and according to the information and explanations given to us and the other auditors, having regard to the explanation that purchase of certain items of inventory and fixed assets are for the Group and its associates specialized requirements and similarly, certain goods sold are for the specialized requirements of the buyers and suitable alternate sources are not available to obtain comparable quotations, there are generally adequate internal control systems commensurate with the size and the nature of their business, for purchase of inventory and fixed assets and for the sale of goods and services. Further, during the course of audit, no continuing failure to correct major weaknesses in such internal control systems was observed.
5. In our opinion and the opinion of the other auditors according to the information and explanations given to us, the Group and its associates have not accepted any deposits from the public within the meaning of sections 73 to 76 or any other relevant provisions of the Act and the Rules framed thereunder.
6. Books of account maintained by the Group and its associates pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of section 148 of the Act in respect of its products have been reviewed, are of the opinion that, *prima facie*, the prescribed accounts and records have been made and maintained. However, detailed examination of the accounts and records with a view to determine whether these are accurate or complete have not been carried out by us and by the other auditors.
7. a. According to the information and explanations provided to us and the records of the Group and its associates examined by us, in our opinion, the Group and its associates were regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and any other material

Annexure to the Independent Auditors' Report on the Consolidated Financial Statements *contd.*

statutory dues applicable to it with the appropriate authorities. There were no undisputed arrears that were outstanding as at 31st March 2015 for a period of more than six months from the date they became payable, except Income Tax deducted on work contract tax amounting to ₹0.01 crore.

- b. According to the information and explanations given to us for the Group and its associates, as on 31st March 2015, there were no dues in respect of Wealth Tax, Income Tax, Customs Duty, Cess that have not been deposited with the appropriate authorities on account of dispute.

The particulars of dues towards Excise Duty, Sales Tax and Service Tax that have not been deposited on account of dispute as at 31st March 2015 and the forum where these disputes are pending in case of group and its associates are as follows:

Name of the statute	Nature of dues	Financial years to which the matter pertains	Forum where the dispute is pending	Amount ₹ in crore
The Central Excise Act, 1944	Excise Duty	2000-01 to 2012-13	CESTAT/High Court	80.04
Finance Act, 1994	Service Tax	2004-05 to 2012-13	Commissioner	25.09
State Sales Tax Acts	Sales Tax	2001-02 to 2013-14	State Sales Tax Tribunal/ Joint Commissioner	5.77

- c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group and its associates in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder has been transferred to such fund within time.
8. The Group and its associates do not have cash losses on consolidated basis and consolidated accumulated losses, this clause is not applicable to consolidated audit report.
9. According to the information and explanations given to us and the other auditors, the Group and its associates have not defaulted in repayment of dues to any financial institution or bank.
10. According to the information and explanations given to us and the other auditors, the Group and its associates have not given any guarantee for loans taken by others from banks or financial institutions.
11. The Group and its associates have not availed any term loan during the year. Accordingly, Clause XI of the order is not applicable.
12. During the course of our examination of the books of account and records of the Group and its associates and according to the other auditors, no material fraud on or by the respective companies has been noticed or reported by the respective companies during the year.

For V. Sankar Aiyar & Co.
Chartered Accountants
Firm Reg No. 109208W

V. Mohan
Partner
Membership No. 17748

Mumbai, 29th May 2015

For R.G.N. Price & Co.
Chartered Accountants
Firm Reg No. 002785S

R. Rangarajan
Partner
Membership No. 41883

Mumbai, 29th May 2015

Consolidated Balance Sheet

As at 31 st March 2015		Notes	2015	2014
			₹ in crore	
Equity and Liabilities				
Shareholders' Funds				
Share Capital	2		160.59	160.58
Reserves and Surplus	3		10628.65	9889.77
Share application money pending allotment			12.25	-
Minority Interest			180.48	49.58
Non-Current Liabilities				
Long Term Borrowings	4		309.28	317.87
Deferred Tax Liabilities (Net)	5		331.74	311.85
Other Long Term Liabilities	6		40.58	32.57
Long Term Provisions	7		160.35	77.44
Current Liabilities				
Short Term Borrowings	8		1392.48	910.47
Trade Payables	9		1577.24	979.53
Other Current Liabilities	10		503.68	408.67
Short Term Provisions	11		420.21	264.91
			15717.53	13403.24
Assets				
Non-Current Assets				
Fixed Assets				
Tangible Assets	12		4140.56	3995.94
Intangible Assets	12		130.62	7.44
Goodwill on Consolidation (Net)			2558.46	2493.09
Capital Work-in-Progress			534.88	353.64
Intangible Assets under Development			46.02	88.20
Non-Current Investments	13		249.76	397.14
Deferred Tax Assets (Net)	14		47.11	2.88
Long Term Loans and Advances	15		296.96	301.49
Other Non-Current Assets	16		121.72	111.45
Current Assets				
Current Investments	17		390.02	311.43
Inventories	18		3780.62	2895.26
Trade Receivables	19		2004.25	1638.89
Cash and Bank Balances	20		564.26	175.76
Short Term Loans and Advances	21		707.37	595.49
Other Current Assets	22		144.92	35.14
			15717.53	13403.24
Notes to the Accounts		1 to 43		
As per our report of even date				
For V. Sankar Aiyar & Co., Chartered Accountants Firm Reg. No. 109208W	For R.G.N. Price & Co., Chartered Accountants Firm Reg. No. 002785S	Subhanu Saxena Managing Director and Global Chief Executive Officer	Rajesh Garg Executive Director and Global Chief Financial Officer	
V. Mohan Partner Membership No. 17748	R. Rangarajan Partner Membership No. 41883		Mital Sanghvi Company Secretary	
Mumbai, 29 th May 2015		Mumbai, 29 th May 2015		

Consolidated Statement of Profit and Loss

For the year ended 31 st March 2015		₹ in crore	
	Notes	2015	2014
Income			
Revenue from Operations (Gross)	23	11454.47	10290.53
Less: Excise Duty		109.03	117.14
Revenue from Operations (Net)		11345.44	10173.39
Other Income	24	165.55	265.37
		11510.99	10438.76
Expenditure			
Cost of Materials Consumed	25a	3740.24	3376.22
Purchases of Stock-in-Trade		793.68	562.86
Changes in Inventories of Finished Goods, Work-in-Process and Stock-in-Trade	25b	(344.22)	(64.25)
Employee Benefits Expense	26	1973.67	1542.96
Finance Costs	27	168.29	145.74
Depreciation and Amortisation Expense	28	504.71	372.64
Other Expenses	29	3020.37	2622.55
		9856.74	8558.72
Profit Before Tax		1654.25	1880.04
Tax Expense			
Current Tax		403.61	436.96
Deferred Tax		(3.71)	26.42
Prior Period Tax		0.13	-
Profit after tax for the year before share of Profit/(Loss) from Associates and Minority Interest		1254.22	1416.66
Share of Profit/(Loss) from Associates		(25.30)	(12.32)
Share of Minority Interest		(48.15)	(15.93)
Profit for the Year		1180.77	1388.41
Earnings per share of face value of ₹2 each			
Basic	40	₹14.71	₹17.29
Diluted	40	₹14.66	₹17.27
Notes to the Accounts	1 to 43		

As per our report of even date

For V. Sankar Aiyar & Co.,
Chartered Accountants
Firm Reg. No. 109208W

V. Mohan
Partner
Membership No. 17748

Mumbai, 29th May 2015

For R.G.N. Price & Co.,
Chartered Accountants
Firm Reg. No. 002785S

R. Rangarajan
Partner
Membership No. 41883

Subhanu Saxena
Managing Director and
Global Chief Executive Officer

Rajesh Garg
Executive Director and
Global Chief Financial Officer

Mital Sanghvi
Company Secretary

Mumbai, 29th May 2015

Consolidated Cash Flow Statement

For the year ended 31 st March 2015		2015	2014
		₹ in crore	
A	Cash Flow from Operating Activities		
	Net profit before tax	1654.25	1880.04
	Adjustments for:		
	Depreciation and amortisation expense	504.71	372.64
	Finance costs	168.29	145.74
	Unrealised foreign exchange gains (Net)	(3.53)	(20.19)
	Unrealised foreign exchange gain on translation (Net)	(25.89)	(20.98)
	Expense on Employee Stock Option Schemes (ESOSs)	51.07	22.36
	Bad debts and provision for doubtful debts and advances (Net)	14.25	23.19
	Interest income	(9.81)	(17.11)
	Dividend income	(22.09)	(73.89)
	Impairment loss	-	86.99
	Profit on sale of current investments (Net)	(49.51)	(7.86)
	Other non-cash adjustments	1.84	30.77
	Loss on sale/discard of fixed assets (Net)	1.17	13.89
	Rent income	(0.45)	(2.75)
		630.05	552.8
	Operating profit before working capital changes	2284.30	2432.84
	Adjustments for:		
	Increase/(Decrease) in trade payables and other liabilities	556.87	(135.17)
	(Increase) in inventories	(832.55)	(174.66)
	(Increase) in trade and other receivables	(442.93)	(251.43)
		(718.61)	(561.26)
	Cash generated from operations	1565.69	1871.58
	Direct taxes paid (Net of refunds)	(392.26)	(308.27)
	Net cash from operating activities	(A) 1173.43	1563.31
B	Cash Flow from Investing Activities		
	Purchase of fixed assets/capital work-in-progress and intangibles	(646.21)	(569.55)
	Sale of fixed assets	20.63	2.94
	Cash paid for acquisition of subsidiary companies, net of cash acquired	(314.10)	(2578.49)
	Purchase consideration for acquisition of undertaking, net of cash acquired	(98.81)	-
	Sale/(Purchase) of investment in associates (Net)	99.59	(10.78)
	Purchase of other non-current investments	(8.44)	-
	Share application money	(1.40)	(3.53)
	Purchase of current investments	(20555.68)	(18028.63)
	Sale of current investments	20525.40	19842.06
	Interest received	9.80	18.75
	Dividend received	22.09	73.89
	Rent received	0.45	5.40
	Short term deposits (given)/repaid (Net)	5.53	(1.92)
	Net cash used in investing activities	(B) (941.15)	(1249.86)

Consolidated Cash Flow Statement *contd.*

For the year ended 31 st March 2015		₹ in crore
	2015	2014
C Cash Flow from Financing Activities		
Proceeds from issue of equity shares (ESOSs)	0.01	-
Share application money	12.25	-
Proceeds from/(Repayment of) short term borrowings (Net)	500.91	(112.47)
Proceeds from long term borrowings (Net)	6.90	155.79
Finance costs paid	(167.42)	(121.08)
Dividend paid	(160.58)	(160.58)
Tax paid on dividend	(27.29)	(27.29)
Net cash from/(used in) financing activities	(C) 164.78	(265.63)
Net increase in cash and cash equivalents	(A)+(B)+(C) 397.06	47.82
Cash and Cash Equivalents as at the beginning of the year	175.76	143.01
Exchange difference on translation of foreign currency cash and cash equivalents	(8.56)	(15.07)
Cash and Cash Equivalents as at the end of the year	564.26	175.76

Notes: i. The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in AS-3, "Cash Flow Statement".

ii. Cash and Cash Equivalents represent cash and bank balances and fixed deposits with banks.

iii. Cash and Cash Equivalents include ₹13.29 crore (Previous year ₹15.87 crore) on account of unclaimed dividend, which are not available for use by the Company.

iv. Details on CSR expenditure, Refer Note 42.

As per our report of even date

For V. Sankar Aiyar & Co.,
Chartered Accountants
Firm Reg. No. 109208W

For R.G.N. Price & Co.,
Chartered Accountants
Firm Reg. No. 002785S

V. Mohan
Partner
Membership No. 17748

R. Rangarajan
Partner
Membership No. 41883

Mumbai, 29th May 2015

Subhanu Saxena
Managing Director and
Global Chief Executive Officer

Rajesh Garg
Executive Director and
Global Chief Financial Officer

Mital Sanghvi
Company Secretary

Mumbai, 29th May 2015

Notes to the Consolidated Accounts

1 Significant Accounting Policies

A. Basis of Preparation

The financial statements have been prepared and presented under the historical cost convention on an accrual basis of accounting and in accordance with Generally Accepted Accounting Principles (GAAP) in India. GAAP comprises mandatory Accounting Standards as prescribed under section 133 of the Companies Act, 2013 ("Act") read with Rule 7 of the Companies (Accounts) Rules, 2014 and guidelines issued by Securities and Exchange Board of India (SEBI).

B. Use of Estimates

The preparation of financial statements requires the Management to make estimates and assumptions that affect the reported balance of assets and liabilities, revenue and expenses and disclosures relating to contingent liabilities. The Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates. Any revision of accounting estimates is recognised prospectively in the current and future periods.

C. Operating Cycle

All assets and liabilities have been classified as current or non-current as per each Company's normal operating cycle and other criteria set out in Schedule III of the Act.

D. Principles of Consolidation

The consolidated financial statements relate to Cipla Ltd. (the 'Company'), its subsidiaries, joint venture and associates (together referred to as the 'Group'). The consolidated financial statements have been prepared on the following basis:

- a. The financial statements of the Company and its subsidiaries 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 unrealized profits. Unrealised losses resulting from intra-group transactions are eliminated unless cost cannot be recovered.
- b. The difference between the cost of investment in the subsidiaries, over the Company's share of equity at the time of acquisition of the shares in the subsidiaries is recognised in the financial statements as Goodwill/Capital Reserve as the case may be.
- c. Entities in which the Company has significant influence but not a controlling interest are considered as associates and investment therein are reported according to the equity method i.e. the investment is initially recorded at cost identifying any Goodwill/Capital Reserve arising at the time of acquisition. The carrying amount of the investment is adjusted thereafter for the post acquisition change in the investor's share of net assets of the associate, based on the available information. The Consolidated Statement of Profit and Loss includes the investor's share of profit/loss of the operations of the associate.
- d. Interest in Joint Venture have been accounted by using the proportionate consolidation method.
- e. The financial statements of the subsidiaries and associates used for the purpose of consolidation are drawn up to the same reporting date as of the Company.
- f. 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.

Notes to the Consolidated Accounts *contd.*

g. The subsidiaries, associates and joint venture considered in the consolidated financial statement are:

Name of the Company	Country of Incorporation	% ownership interest as at 31 st March 2015	% ownership interest as at 31 st March 2014	With effect from
Subsidiaries (held directly)				
Cipla FZE	United Arab Emirates	100	100	04/10/2006
Golden Cross Pharma Pvt. Ltd.	India	100	100	14/05/2010
Cipla (Mauritius) Ltd.	Mauritius	100	100	27/01/2011
Meditab Specialities Pvt. Ltd.	India	100	100	01/10/2010
Cipla Medpro South Africa Proprietary Ltd.	South Africa	100	100	15/07/2013
Cipla Holding B.V. ²	Netherlands	100	100	28/08/2013
Mabpharm Pvt. Ltd. ³	India	100	-	24/07/2014
Cipla (EU) Ltd.	United Kingdom	100	100	27/01/2011
Saba Investment Ltd.	United Arab Emirates	51	-	02/10/2014
Jay Precision Pharmaceuticals Pvt. Ltd.	India	60	-	26/02/2015
Subsidiaries (held indirectly)				
Four M Propack Pvt. Ltd.	India	100	100	14/05/2010
Cipla (UK) Ltd.	United Kingdom	100	100	27/01/2011
Cipla Australia Pty. Ltd.	Australia	100	100	04/03/2011
Medispray Laboratories Pvt. Ltd.	India	100	100	01/10/2010
Sitec Labs Pvt. Ltd.	India	100	100	01/10/2010
Meditab Holdings Ltd.	Mauritius	100	100	01/10/2010
Meditab Pharmaceuticals South Africa Proprietary Ltd.	South Africa	100	100	14/01/2011
Meditab Specialities New Zealand Ltd.	New Zealand	100	100	21/01/2011
Cipla İlaç Ticaret Anonim Şirketi ¹	Turkey	100	100	20/02/2012
Cipla USA Inc.	USA	100	100	12/09/2012
Cipla Kenya Ltd.	Kenya	100	100	08/10/2012
Cipla Malaysia Sdn. Bhd.	Malaysia	100	100	20/03/2013
Cipla Europe NV ²	United Kingdom	100	100	30/09/2013
Cipla Quality Chemical Industries Ltd.	Uganda	51.05	51.05	20/11/2013
Cipla Croatia d.o.o. ²	Croatia	100	100	04/12/2013
Cipla Medpro Manufacturing Proprietary Ltd.	South Africa	100	100	15/07/2013
Galilee Marketing Proprietary Ltd.	South Africa	100	100	15/07/2013
Inyanga Trading 386 Proprietary Ltd.	South Africa	100	100	15/07/2013
Xeragen Laboratories Proprietary Ltd.	South Africa	100	100	15/07/2013
Cipla Medpro Holdings Proprietary Ltd.	South Africa	100	100	15/07/2013
Cape to Cairo Exports Proprietary Ltd.	South Africa	100	100	15/07/2013
Cipla Agrimed Proprietary Ltd.	South Africa	100	100	15/07/2013

Notes to the Consolidated Accounts *contd.*

Name of the Company	Country of Incorporation	% ownership interest as at 31 st March 2015	% ownership interest as at 31 st March 2014	With effect from
Cipla Dibcare Proprietary Ltd.	South Africa	100	100	15/07/2013
Cipla Health Care Proprietary Ltd.	South Africa	100	100	15/07/2013
Cipla Life Sciences Proprietary Ltd.	South Africa	100	100	15/07/2013
Cipla-Medpro Proprietary Ltd.	South Africa	100	100	15/07/2013
Cipla-Medpro Distribution Centre Proprietary Ltd.	South Africa	100	100	15/07/2013
Cipla Medpro ARV Proprietary Ltd.	South Africa	100	100	15/07/2013
Cipla Medpro Botswana Proprietary Ltd.	South Africa	100	100	15/07/2013
Cipla Medpro Cardio Respiratory Proprietary Ltd.	South Africa	100	100	15/07/2013
Cipla Medpro Research and Development Proprietary Ltd.	South Africa	100	100	15/07/2013
Cipla Nutrition Proprietary Ltd.	South Africa	80	80	15/07/2013
Cipla Personal Care Proprietary Ltd.	South Africa	100	100	15/07/2013
Cipla Vet Proprietary Ltd.	South Africa	100	100	15/07/2013
Gardian Cipla Proprietary Ltd.	South Africa	100	100	15/07/2013
Medpro Gen Proprietary Ltd.	South Africa	100	100	15/07/2013
Medpro Holdings Proprietary Ltd.	South Africa	100	100	15/07/2013
Medpro Pharmaceutica Proprietary Ltd.	South Africa	100	100	15/07/2013
Medpro Pharmaceutica Africa Proprietary Ltd.	South Africa	100	100	15/07/2013
Medpro-On-Line Proprietary Ltd.	South Africa	100	100	15/07/2013
Med Man Care Proprietary Ltd.	South Africa	100	100	15/07/2013
Smith and Couzin Proprietary Ltd.	South Africa	100	100	15/07/2013
Breathe Free Lanka (Private) Ltd.	Sri Lanka	100	-	16/06/2014
Cipla Canada Inc. ²	Canada	100	-	27/08/2014
Medica Pharmaceutical Industries Company Ltd. ²	Yemen	50.49	-	02/10/2014
Al-Jabal For Drugs and Medical Appliances Company Ltd. ²	Yemen	50.49	-	02/10/2014
Cipla Pharma Lanka (Private) Ltd.	Sri Lanka	60	-	17/11/2014
Cipla Pharma Nigeria Ltd.	Nigeria	100	-	06/02/2015
Associates				
Stempeutics Research Pvt. Ltd. ²	India	49	49	01/10/2010
Biomab Holding Ltd. ¹	Hong Kong	25	25	01/09/2011
Jiangsu Cdymax Pharmaceuticals Co.Ltd. ¹ (Divested on 31 st March 2015)	China	-	48.22	10/02/2012
Mabpharm Pvt.Ltd. ³	India	-	25	29/10/2012
Joint Venture				
Aspen-Cipla Australia Pty. Ltd. ⁴	Australia	50	50	18/10/2011
¹ Unaudited financials for 3 months ending on 31 st March 2015 have been considered for consolidation purposes. ² Unaudited financials for the financial year 2014-15 have been considered for consolidation purposes. ³ During the year, the Company acquired an additional 75% stake in Mabpharm Pvt. Ltd. Consequent to the acquisition of aforesaid additional stake, Mabpharm Pvt. Ltd. is wholly owned subsidiary of the Company. ⁴ Application for de-registration of the Company was made during the year and the Company was de-registered on 6 th April 2015.				

Notes to the Consolidated Accounts *contd.*

E. Additional information as required under Schedule III of the Companies Act, 2013, of enterprises consolidated as Subsidiary/Associates

Name of the Entity	Net Assets (Total Assets less Total Liabilities)		Share in profit or loss	
	As % of consolidated net assets	Amount ₹ in crore	As % of consolidated profit or loss	Amount ₹ in crore
Parent				
Cipla Ltd.	100.99	11090.15	94.17	1181.09
Subsidiaries				
Indian				
Goldencross Pharma Pvt. Ltd.	2.26	247.76	1.47	18.43
Meditab Specialities Pvt. Ltd.	1.35	148.61	0.78	9.78
Mabpharm Pvt. Ltd.	1.26	138.51	(0.91)	(11.43)
Jay Precision Pharmaceuticals Pvt. Ltd.	0.36	39.87	0.20	2.52
Four M Propack Pvt. Ltd.	0.14	15.05	0.08	1.07
Medispray Laboratories Pvt. Ltd.	1.02	111.58	2.33	29.23
Sitec Labs Pvt. Ltd.	0.10	11.20	0.47	5.89
Foreign				
Cipla FZE	0.21	23.13	-	(0.02)
Cipla (Mauritius) Ltd.	1.25	137.23	0.26	3.22
Cipla Medpro South Africa Proprietary Ltd.	2.77	304.63	(1.08)	(13.48)
Cipla Holding B.V.	1.29	141.94	(0.09)	(1.14)
Cipla (EU) Ltd.	0.21	22.70	(1.08)	(13.60)
Saba Investment Ltd.	1.74	190.52	(0.01)	(0.11)
Cipla (UK) Ltd.	0.04	4.69	0.03	0.32
Cipla Australia Pty. Ltd.	0.02	1.93	0.03	0.38
Meditab Holdings Ltd.	3.10	340.32	(0.73)	(9.17)
Meditab Pharmaceuticals South Africa Proprietary Ltd.	-	-	-	(0.01)
Meditab Specialities New Zealand Ltd.	-	0.07	-	(0.05)
Cipla İlaç Ticaret Anonim Şirketi	-	0.22	0.01	0.08
Cipla USA Inc.	0.01	1.01	(1.21)	(15.14)
Cipla Kenya Ltd.	-	0.07	0.01	0.09
Cipla Malaysia Sdn. Bhd.	0.01	1.25	0.01	0.13
Cipla Europe NV	(0.22)	(23.99)	(6.15)	(77.10)
Cipla Quality Chemical Industries Ltd.	1.53	168.20	6.18	77.54
Cipla Croatia d.o.o.	0.05	5.16	(0.08)	(0.94)
Cipla Medpro Manufacturing Proprietary Ltd.	-	-	-	0.01
Galilee Marketing Proprietary Ltd.	-	(0.01)	-	(0.01)
Inyanga Trading 386 Proprietary Ltd.	0.25	27.26	-	(0.03)
Xeragen Laboratories Proprietary Ltd.	0.06	7.01	-	-

Notes to the Consolidated Accounts *contd.*

Name of the Entity	Net Assets (Total Assets less Total Liabilities)		Share in profit or loss	
	As % of consolidated net assets	Amount ₹ in crore	As % of consolidated profit or loss	Amount ₹ in crore
Cipla Medpro Holdings Proprietary Ltd.	0.05	5.11	0.01	0.14
Cape to Cairo Exports Proprietary Ltd.	-	-	-	-
Cipla Agrimed Proprietary Ltd.	0.36	39.57	0.88	11.05
Cipla Dibcare Proprietary Ltd.	-	0.21	-	0.02
Cipla Health Care Proprietary Ltd.	0.07	7.85	-	(0.01)
Cipla Life Sciences Proprietary Ltd.	1.21	132.67	0.60	7.53
Cipla-Medpro Proprietary Ltd.	2.35	257.86	2.50	31.33
Cipla-Medpro Distribution Centre Proprietary Ltd.	-	0.28	-	-
Cipla Medpro ARV Proprietary Ltd.	-	0.27	-	-
Cipla Medpro Botswana Proprietary Ltd.	-	-	-	-
Cipla Medpro Cardio Respiratory Proprietary Ltd.	-	-	-	-
Cipla Medpro Research and Development Proprietary Ltd.	-	-	-	-
Cipla Nutrition Proprietary Ltd.	(0.07)	(7.57)	(0.30)	(3.78)
Cipla Personal Care Proprietary Ltd.	0.04	4.82	-	0.01
Cipla Vet Proprietary Ltd.	0.31	33.97	0.83	10.42
Gardian Cipla Proprietary Ltd.	-	0.11	-	-
Medpro Gen Proprietary Ltd.	-	-	-	-
Medpro Holdings Proprietary Ltd.	-	-	-	-
Medpro Pharmaceutica Proprietary Ltd.	3.58	392.81	3.60	45.11
Medpro Pharmaceutica Africa Proprietary Ltd.	-	-	-	-
Medpro-On-Line Proprietary Ltd.	-	-	-	-
Med Man Care Proprietary Ltd.	-	-	-	-
Smith and Couzin Proprietary Ltd.	-	-	-	-
Breathe Free Lanka (Private) Ltd.	0.06	6.08	-	0.01
Cipla Canada Inc.	-	0.30	0.03	0.32
Medica Pharmaceutical Industries Company Ltd.	0.02	2.52	(0.59)	(7.39)
Al-Jabal For Drugs and Medical Appliances Company Ltd.	0.31	34.39	2.07	26.03
Cipla Pharma Lanka (Private) Ltd.	(0.03)	(3.21)	(0.22)	(2.72)
Cipla Pharma Nigeria Ltd.	-	-	-	-
Joint Venture				
Aspen-Cipla Australia Pty. Ltd.	-	-	-	-
Subtotal		14064.11		1305.62
Inter-company Elimination and Consolidation Adjustments	(28.06)	(3082.14)	(4.10)	(51.39)
Grand Total	100.00	10981.97	100.00	1254.23
Share application money pending allotment		(12.25)		
Minority Interest in Subsidiaries		(180.48)		(48.15)
Share of Profit in Associates				(25.30)

Notes to the Consolidated Accounts *contd.*

F. Fixed Assets

Tangible assets are stated at the cost of acquisition and includes amount added on revaluation, less accumulated depreciation, Government grants, other subsidies and impairment losses, if any. Cost of tangible assets comprises purchase price, non-refundable taxes, levies and any directly attributable cost of bringing the asset to its working condition for the intended use. Where several fixed assets are acquired for a consolidated price, the consideration is apportioned to fixed assets on fair value basis.

Capital work-in-progress includes cost of fixed assets that are not ready for their intended use.

Intangible assets are stated at the cost of acquisition, less accumulated amortisation and impairment losses if any. Cost of intangible assets comprises purchase price, non-refundable taxes, levies and any directly attributable cost of making the asset ready for its intended use.

G. Borrowing Costs

Borrowing costs consists of interest, ancillary costs and other costs in connection with the borrowing of funds and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to interest costs.

Borrowing costs attributable to acquisition and/or construction of qualifying assets are capitalised as a part of the cost of such assets, up to the date such assets are ready for their intended use. Other borrowing costs are charged to the Statement of Profit and Loss.

H. Depreciation and Amortisation

Depreciation on tangible assets is provided on the Straight Line Method over the useful life of assets as prescribed under part C of Schedule II of the Act.

In case of assets whose useful life is already exhausted as on 1st April 2014, the carrying value, net of residual value and deferred tax has been adjusted in retained earnings in accordance with the requirements of Schedule II of the Act.

Depreciation on tangible assets in Indian subsidiaries is provided on Written Down Value Method over the useful life as prescribed under part C of Schedule II to the Act. Depreciation on tangible assets in foreign subsidiaries is provided on a systematic basis over the estimated useful life of the assets.

Cost of Leasehold Land including premium is amortised over primary period of lease.

Intangible assets are amortised on a systematic basis over the best estimate of their useful lives, commencing from the date the asset is available to the Group for its use.

The Management estimates the useful lives for the various intangible assets as follows:

Category	Years
Software	3 to 10
Goodwill and Marketing Intangibles - Acquired	5

I. Inventories

Raw materials and packing materials are valued at lower of cost or net realisable value after providing for obsolescence, if any. However, these items are considered to be realisable at cost if the finished products, in which they will be used, are expected to be sold at or above cost.

Work-in-process, stock-in-trade and finished goods are valued at lower of cost and net realisable value. Finished goods and work-in-process include costs of raw material, labour, conversion costs and other costs incurred in bringing the inventories to their present location and condition.

Cost of finished goods includes excise duty, wherever applicable.

Notes to the Consolidated Accounts *contd.*

Cost of inventories is computed on weighted average basis.

During the year, the Company and its Indian subsidiaries implemented an enterprise resource planning software enabling inventorisation of stores, spares and consumables. This has now enabled the Company and its Indian subsidiaries to include in the inventory, in the Balance Sheet from this year, sub-category of stores, spares and consumables amounting to ₹28.83 crore. The amount of profit before tax for the year, stands increased commensurately.

J. Investments

Long term investments, other than investment in associates, are carried at cost, less any provision for diminution (other than temporary) in value.

Current investments are carried at lower of cost and fair value.

Investments in Associates are accounted and disclosed as per AS-23, "Investment in Associates".

Investment property is carried at cost, less depreciation computed in a manner prescribed for Fixed Assets.

K. Foreign Exchange Transactions

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction.

Foreign currency monetary assets and liabilities and forward contracts are restated at year end exchange rates. Exchange differences arising on the settlement of foreign currency monetary items or on reporting Company's foreign currency monetary items at rates different from those at which they were initially recorded during the year or reported in the previous financial statements, are recognised as income or expense in the year in which they arise.

Non-monetary foreign currency items are carried at the rates prevailing on the date of the transaction.

In respect of forward contracts, the premium or discount on these contracts is recognised as income or expenditure over the period of the contract. Any profit or loss arising on cancellation or renewal of such contracts is recognised as income or expense of the year.

Foreign branches are identified as integral foreign operations. All transactions are translated at rates prevailing on the date of transaction. Monetary assets and liabilities of the branch are restated at the year end rates.

Foreign subsidiaries are classified as non integral operations as per AS-11, "The Effects of Changes in Foreign Exchange Rates". All the assets and liabilities are translated at the closing rate as on the Balance Sheet date and income/expenditure are translated using average exchange rate prevailing during the reporting period. The resultant translation exchange gain/loss, have been disclosed as "Foreign Currency Translation Reserve" under Reserves and Surplus.

L. Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date.

Disclosure of contingent liabilities is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent Assets are neither recognised nor disclosed in the financial statements.

Notes to the Consolidated Accounts *contd.*

M. Revenue Recognition

Revenue is recognised to the extent that is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

Revenue from sale of goods is recognised when significant risks and rewards of ownership of the goods have been passed to the buyer, which ordinarily coincides with despatch of goods to customers. Revenues are recorded at invoice value net of excise duty, sales tax, returns and trade discount.

Revenue from rendering of services are recognised on completion of services.

Benefits on account of entitlement of export incentives are recognised as and when the right to receive is established.

Technical Know-how and Licensing Fees are recognised as and when the right to receive such income is established as per terms and conditions of relevant agreement.

Interest income is recognised on time proportion basis.

Dividend income is recognised when the right to receive is established.

N. Employee Benefits

Liability on account of short term employee benefits is recognised on an undiscounted and accrual basis during the period when the employee renders service/vesting period of the benefit.

Post retirement contribution plans such as Employees' Pension scheme and Employees' Provident Fund (for employees other than those who are covered under Employees' Provident Fund Trust) are charged to the Statement of Profit and Loss for the year when the contributions to the respective funds accrue.

Post retirement benefit plans such as gratuity, leave encashment and provident fund are determined on the basis of actuarial valuation made by an independent actuary as at the balance sheet date. Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss.

Periodic contributions towards post retirement benefit plan such as provident fund administered through an Employees' Provident Fund Trust are charged to the Statement of Profit and Loss.

O. Employee Stock Option Schemes

In accordance with the SEBI regulations, the compensation cost of stock options granted to employees is calculated based on intrinsic value method, i.e. the excess of the market price of shares immediately prior to dates of grant over the exercise price to be paid by the option holders. The compensation cost is amortised to the Statement of Profit and Loss over the vesting period of the stock option.

P. Income Tax

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the provisions of local Income Tax Laws as applicable to the financial year.

Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income of the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date.

The Group offsets, on a year-on-year basis, the current tax assets and liabilities & deferred tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

Notes to the Consolidated Accounts *contd.*

Q. Impairment of Assets

At each Balance Sheet date, the Group assesses whether there is any indication that any asset may be impaired. If any such indication exists, the carrying value of such assets is reduced to its estimated recoverable amount and the amount of such impairment loss is charged to the Statement of Profit and Loss. If, at the Balance Sheet date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

R. Research and Development

Revenue expenditure on Research and Development is recognised as expense in the year in which it is incurred.

Capital expenditure on Research and Development is shown as addition to Fixed Assets.

S. Expenditure on Regulatory Approvals

Expenditure incurred for obtaining regulatory approvals and registration of products for overseas markets is charged to the Statement of Profit and Loss.

T. Government Grants and Subsidies

Capital subsidy/Government grants are accounted for where it is reasonably certain that the ultimate collection will be made.

Capital subsidy/Government grants related to specific depreciable assets are shown as deduction from the gross value of the asset concerned in arriving at its book value. The grant/subsidy is thus recognised in the Statement of Profit and Loss over the useful life of such depreciable assets by way of a reduced depreciation charge.

U. Leases

Where the Company is Lessee

Lease rentals on assets taken on operating lease are recognised as expense in the Statement of Profit and Loss on straight line basis over the lease term in accordance with the lease agreement.

Assets acquired under lease where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. The rent obligations net of interest charges are reflected as secured loans.

Where the Company is Lessor

Lease rentals on assets given on operating lease are recognised as income in the Statement of Profit and Loss on straight line basis in accordance with the lease agreement.

V. Earnings Per Share

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 period.

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 from the exercise of options on unissued share capital. The number of equity shares is the aggregate of the weighted average number of equity shares and the weighted average number of equity shares are to be issued on the conversion of all the dilutive potential equity shares into equity shares.

Notes to the Consolidated Accounts *contd.*

₹ in crore

	2015	2014
2 Share Capital		
Authorised		
87,50,00,000 Equity Shares of ₹2 each		
(Previous year 87,50,00,000 Equity Shares of ₹2 each)	175.00	175.00
	175.00	175.00
Issued		
80,39,63,835 Equity Shares of ₹2 each		
(Previous year 80,39,24,752 Equity Shares of ₹2 each)	160.79	160.78
	160.79	160.78
Subscribed & Paid-up		
80,29,60,440 Equity Shares of ₹2 each fully paid		
(Previous year 80,29,21,357 Equity Shares of ₹2 each fully paid)	160.59	160.58
	160.59	160.58

- **Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period**

Particulars	2015	2014
Equity Shares at the beginning of the year	80,29,21,357	80,29,21,357
Add: Equity Shares issued on exercise of employee stock options	39,083	-
Equity Shares at the end of the year	80,29,60,440	80,29,21,357

- **Details of Shareholders holding more than 5 percent shares in the Company**

	2015		2014	
	Number of shares	% Holding	Number of shares	% Holding
Dr. Y. K. Hamied	12,48,27,750	15.55	12,48,27,750	15.55
Mrs. Farida Hamied	4,19,14,937	5.22	4,19,14,937	5.22
Mrs. Sophie Ahmed	4,59,82,000	5.73	4,59,82,000	5.73
Life Insurance Corporation of India	4,42,13,904	5.51	5,24,97,490	6.54

- **Terms and Rights 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 dividends 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.

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.

- **Equity shares reserved for issue under employee stock options**

Refer Note 41 for number of stock options against which equity shares are to be issued by the Company upon vesting and exercise of those stock options by the option holders as per the relevant scheme(s).

Notes to the Consolidated Accounts *contd.*

		₹ in crore	
		2015	2014
3 Reserves and Surplus			
Capital Reserve		0.33	0.08
Securities Premium Reserve			
As per last Balance Sheet	1428.96		1428.96
Add: Additions during the year on ESOS exercised	1.63		-
Balance at the end of the year		1430.59	1428.96
Revaluation Reserve		8.97	8.97
Employee Stock Options Outstanding			
Employee Stock Options Outstanding			
As per last Balance Sheet	92.05		-
Add: Options granted during the year (net of cancellations)	56.57		92.05
Less: Exercised during the year	1.63		-
Balance at the end of the year (a)	146.99		92.05
Deferred Employee Stock Option Cost			
As per last Balance Sheet	70.40		-
Add: Options granted during the year	56.57		92.05
Less: Amortisations during the year	50.89		21.65
Less: Exercised during the year	-		-
Balance at the end of the year (b)	76.08		70.40
Net Balance at the end of the year (a-b)		70.91	21.65
General Reserve			
As per last Balance Sheet	3141.43		3001.43
Add: Transferred from the Statement of Profit and Loss	-		140.00
Balance at the end of the year		3141.43	3141.43
Foreign Currency Translation Reserve			
As per last Balance Sheet	(123.22)		39.24
Add: Exchange rate differences on translations during the year (Net)	(257.98)		(162.46)
Balance at the end of the year		(381.20)	(123.22)
Surplus in the Statement of Profit and Loss			
As per last Balance Sheet	5411.90		4351.36
Add: Profit for the year	1180.77		1388.41
Less: Adjustment of Depreciation [Refer Note 1(H)]	41.77		-
	6550.90		5739.77
Less: Appropriations			
Transferred to General Reserve	-		140.00
Proposed Dividend	160.59		160.58
Tax on Dividend	32.69		27.29
Balance at the end of the year		6357.62	5411.90
		10628.65	9889.77

Notes to the Consolidated Accounts *contd.*

		₹ in crore
	2015	2014
4 Long Term Borrowings		
Secured		
Term Loans from banks (Note i)	287.09	316.96
Finance Lease (Note ii)	-	0.48
Unsecured		
Term Loans from banks (Note iii)	7.78	-
Other loans and advances (Note iv)	14.00	-
Deferred Payment Liability-Sales Tax Deferral Loan (Note v)	0.41	0.43
	309.28	317.87

Notes: i. Loans of a subsidiary company located in South Africa amounting to ₹287.09 crore (Previous Year ₹316.96 crore). These loans carry interest at JIBAR + 1.45% to 1.95% p.a. and are secured through guarantees and the cession of trade receivables, cash balances, insurances and the pledge and hypothecation of rights in intellectual property held by subsidiaries. The loans are repayable in full by 2019.

ii. Liabilities held under finance lease arrangements of a subsidiary company located in South Africa amounting to Nil (Previous Year ₹0.48 crore), secured by plant and machinery which are repayable over a period of five years at prime less 0.5%.

iii. Loans of a subsidiary company located in Sri Lanka amounting to ₹7.78 crore (Previous Year Nil) carries interest at SLIBOR + 3.25% p.a. and repayable starting from February 2016.

iv. Loan of a subsidiary company located in India amounting to ₹14.00 crore (Previous Year Nil) carries interest at 11% p.a. and repayable by March 2018.

v. Sales tax deferral loan is interest free and repayable in 3 equal installments from the 10th year.

		₹ in crore
	2015	2014
5 Deferred Tax Liabilities (Net)		
Tax effect of items constituting Deferred Tax Liabilities		
On differences between book and tax depreciation	333.43	409.29
Others	0.01	0.61
Less: Tax effect of items constituting Deferred Tax Assets		
Expenses allowable on cash basis	0.76	5.13
Carry forward of losses	0.87	89.14
Others	0.07	3.78
	331.74	311.85

Notes to the Consolidated Accounts *contd.*

	₹ in crore	
	2015	2014
6 Other Long Term Liabilities		
Security Deposits	40.00	30.00
Others	0.58	2.57
	<u>40.58</u>	<u>32.57</u>

	₹ in crore	
	2015	2014
7 Long Term Provisions		
Provision for Employee Benefits		
Leave Encashment (Note 26)	109.79	77.41
Gratuity (Note 26)	0.56	0.03
Others		
Payable for Acquisition of Business (Note 37)	50.00	-
	<u>160.35</u>	<u>77.44</u>

	₹ in crore	
	2015	2014
8 Short Term Borrowings		
Loans Repayable on demand		
Secured		
Cash Credit from Banks (Secured against receivable and moveable assets including stocks, both present and future)	0.67	0.36
Current maturities of finance lease obligations	-	4.57
Other loans and advances	12.28	28.63
Unsecured		
Packing Credit from Banks	1156.25	876.91
Buyers' Credit from Banks	223.28	-
	<u>1392.48</u>	<u>910.47</u>

	₹ in crore	
	2015	2014
9 Trade Payables		
Micro, Small and Medium Enterprises	2.77	8.10
Others	1574.47	971.43
	<u>1577.24</u>	<u>979.53</u>

Notes to the Consolidated Accounts *contd.*

9 Trade Payables *contd.*

The information regarding Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Group. This has been relied upon by the auditors.

Amounts due as at 31st March 2015 in respect of enterprises covered under the 'Micro, Small and Medium Enterprises Development Act, 2006' is ₹2.77 crore (Previous year ₹8.10 crore).

The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act is Nil (Previous year Nil).

	₹ in crore	
	2015	2014
10 Other Current Liabilities		
Current maturities of Long Term Debt		
Sales Tax Deferral Loan	0.01	0.06
Term Loan from Bank	1.56	19.51
Unclaimed Dividend*	13.29	15.87
Statutory Dues	50.52	56.25
Dues to Employees	98.58	96.51
Creditors for Capital Expenditure	63.58	44.56
Unclaimed Preference Share Capital	0.01	0.01
Security Deposits	2.33	2.06
Book Overdraft	49.10	38.95
Advance from Customers	106.37	106.59
Interest Payable	0.72	0.04
Other Payables [#]	117.61	28.26
	503.68	408.67
* There are no amounts due and outstanding to be credited to Investor Education & Protection Fund.		
[#] Includes Lease equalisation reserve, creditors for expenses, etc.		

	₹ in crore	
	2015	2014
11 Short Term Provisions		
Provision for Employee Benefits		
Leave Encashment (Note 26)	26.33	26.63
Gratuity (Note 26)	60.08	37.38
Others		
Provision for Bonus	25.69	12.28
Proposed Dividend	160.59	160.58
Tax on Proposed Dividend	32.69	27.29
Others	0.41	0.75
Provision for Tax (Net of advance tax)	37.54	-
Payable for Acquisition of Business (Note 37)	76.88	-
	420.21	264.91

Notes to the Consolidated Accounts *contd.*

12 Fixed Assets												₹ in crore			
GROSS BLOCK						DEPRECIATION/AMORTISATION					NET BLOCK				
Tangible Assets	As at 01.04.14	Additions on Acquisition	Deletions/ Adjustments	Foreign currency translation adjustments	As at 31.03.15	Upto 31.03.14	Additions on Acquisition	Adjustment in retained earnings	For the year 2014-15	Deletions/ Adjustments	Foreign currency translation adjustments	Upto 31.03.15	As at 31.03.15	As at 31.03.14	
Freehold Land	34.11	26.70	-	-	60.81	-	-	-	-	-	-	-	60.81	34.11	
Leasehold Land	82.37	-	4.61	0.11	86.74	13.54	-	-	1.78	-	-	15.32	71.42	68.83	
Leasehold Buildings	97.36	-	8.71	0.31	95.95	24.59	-	-	6.04	-	(2.76)	27.87	68.08	72.77	
Plant and Equipments	3982.62	122.48	335.20	22.66	4388.90	1750.97	14.03	42.40	384.76	13.91	(9.77)	2168.48	2220.42	2231.65	
Office Equipments	99.65	2.24	14.10	0.41	114.02	28.58	0.93	15.07	23.22	0.31	(1.20)	66.29	47.73	71.07	
Furniture and Fixtures	159.72	2.84	18.03	1.82	176.50	66.94	0.69	2.22	23.91	0.30	(1.20)	92.26	84.24	92.78	
Buildings and Flats	1700.05	38.18	191.94	10.89	1915.09	281.88	1.42	2.75	51.33	1.39	(1.16)	334.83	1580.26	1418.17	
Vehicles	15.74	4.92	1.50	1.14	20.35	9.18	2.13	0.15	2.52	0.65	(0.58)	12.75	7.60	6.56	
Total	6171.62	197.36	574.09	37.34	6858.36	2175.68	19.20	62.59	493.56	16.56	(16.67)	2717.80	4140.56	3995.94	
Previous year	5317.52	446.88	475.50	40.97	6171.62	1707.55	129.75	-	370.41	23.75	(8.28)	2175.68			
Intangible Assets	As at 01.04.14	Additions on Acquisition	Deletions/ Adjustments	Foreign currency translation adjustments	As at 31.03.15	Upto 31.03.14	Additions on Acquisition	Adjustment in retained earnings	For the year 2014-15	Deletions/ Adjustments	Foreign currency translation adjustments	Upto 31.03.15	As at 31.03.15	As at 31.03.14	
Goodwill	-	-	10.11	0.00	10.11	-	-	-	0.34	-	-	0.34	9.77	-	
Marketing Intangibles	-	-	25.10	0.00	25.10	-	-	-	0.83	-	-	0.83	24.27	-	
Software	11.56	-	99.58	0.89	109.52	4.12	-	-	9.96	0.68	(0.46)	12.94	96.58	7.44	
Total	11.56	-	134.79	0.89	144.73	4.12	-	-	11.13	0.68	(0.46)	14.11	130.62	7.44	
Previous year	-	5.46	6.45	-	11.56	-	2.35	-	2.13	0.13	(0.23)	4.12			
Notes:															
i. The gross value of Buildings & Flats includes the cost of shares in Co-operative Housing Societies.															
ii. The above additions to fixed assets during the year includes ₹121.11 crore (Previous year ₹5.58 crore) used for Research and Development.															
iii. Freehold Land at Mumbai Central and Vikhroli, were revalued on 16 th March 1985 and was again revalued on 21 st March 1990 along with Freehold Land at Bengaluru which stood at ₹9.07 crore on the basis of valuation report of approved valuers resulting in increase in book value by ₹8.97 crore.															

Notes: i. The gross value of Buildings & Flats includes the cost of shares in Co-operative Housing Societies.
ii. The above additions to fixed assets during the year includes ₹121.11 crore (Previous year ₹5.58 crore) used for Research and Development.
iii. Freehold Land at Mumbai Central and Vikhroli, were revalued on 16th March 1985 and was again revalued on 21st March 1990 along with Freehold Land at Bengaluru which stood at ₹9.07 crore on the basis of valuation report of approved valuers resulting in increase in book value by ₹8.97 crore.

Notes to the Consolidated Accounts *contd.*

		₹ in crore	
		2015	2014
13	Non-Current Investments		
	Trade Investments		
	Investment in Associates		
	87,33,333 (Previous year 87,33,333) Ordinary Shares of Biomab Holding Ltd. of USD 1 each, fully paid [including Goodwill of ₹54.31 crore (Previous year ₹54.31 crore)]	107.63	110.39
	Nil (Previous year 48.22%) Equity Interest in Jiangsu Cdymax Pharmaceuticals Co. Ltd. (Previous year Net of Capital Reserve of ₹5.17 crore)	-	106.72
	1,84,23,578 (Previous year 1,58,44,233) Equity Shares of Stempeutics Research Pvt. Ltd. of ₹10 each, fully paid [including Goodwill of ₹3.58 crore (Previous year ₹8.52 crore)]	13.82	13.14
	Nil (Previous year 1,70,48,597) Equity Shares of Mabpharm Pvt. Ltd. of ₹10 each, fully paid (Previous year includes Goodwill of ₹26.07 crore)	-	50.82
	Other Investments		
	Investments in Equity Instruments (Unquoted)		
	16.50% (Previous year 16.50%) Equity Interest in Shanghai Desano Pharmaceuticals Co. Ltd.	118.75	113.84
	1,000 (Previous year 1,000) Equity Shares of The Saraswat Co-operative Bank Ltd. ₹10 each fully paid ₹10000 (Previous year ₹10000)	0.00	0.00
	11,02,941 (Previous year Nil) Series B-1 Preferred Stock, par value \$0.0001 per share of Chase Pharmaceuticals Corporation Inc.	8.44	-
	Nil (Previous year 500) Shares of Old Mutual Plc ZAR 12245	-	0.01
	Investments in Government and Trust securities		
	National Savings Certificates ₹42000 (Previous year ₹41000)	0.00	0.00
	Investment property (at cost less accumulated depreciation)		
	Cost of Building given on Operating Lease	1.60	2.67
	Less: Accumulated Depreciation	0.48	0.45
	Net Block	1.12	2.22
		249.76	397.14
	Aggregate amount of unquoted investments ₹248.64 crore (Previous year ₹394.92 crore)		
	Mode of valuation - Refer Note 1(j)		

Notes to the Consolidated Accounts *contd.*

	₹ in crore	
	2015	2014
14 Deferred Tax Assets (Net)		
Tax effect of items constituting Deferred Tax Assets		
Expenses allowable on cash basis	1.84	1.70
Carry forward of losses	75.33	1.81
Depreciation	1.26	-
Others	22.56	-
Less: Tax effect of items constituting Deferred Tax Liabilities		
On differences between book and tax depreciation	53.88	0.51
Others	-	0.12
	47.11	2.88

	₹ in crore	
	2015	2014
15 Long Term Loans and Advances		
Secured, Considered Good		
Capital Advances [#]	5.30	2.20
Unsecured, Considered Good		
Capital Advances	47.23	61.57
Security Deposits	33.47	36.99
Advance Taxes and TDS (Net of Provision for Tax ₹1610.34 crore; Previous year ₹1291.20 crore)	163.95	153.29
VAT Receivable	46.52	40.29
Other Loans and Advances	0.49	7.15
	296.96	301.49
[#] Secured against Bank Guarantees		

	₹ in crore	
	2015	2014
16 Other Non-Current Assets		
Fixed Deposits as Margin Money (with maturity more than 12 months)	13.88	3.70
Interest Accrued on deposits but not due	0.43	0.34
Capital Subsidy Receivable	107.41	107.41
	121.72	111.45

Notes to the Consolidated Accounts *contd.*

₹ in crore				
	No. of units	2015	No. of units	2014
17 Current Investments				
Investments in Mutual Funds (Unquoted)				
Baroda Pioneer Mutual Fund "Baroda Pioneer Liquid Fund" - Plan B - Growth	2,80,546	45.00	1,46,096	21.45
Birla Sun Life Mutual Fund "Birla Sun Life Cash Plus" - Growth - Direct Plan	22,38,812	45.16	19,87,698	40.82
Franklin Templeton Mutual Fund "Templeton India Treasury Management Account" - Super Institutional Plan - Direct - Growth	2,57,696	55.00	2,31,856	44.29
HDFC Mutual Fund "HDFC Cash Management Fund" - Savings Plan - Direct Plan - Growth Option	85,62,289	25.00	-	-
ICICI Prudential Mutual Fund "ICICI Prudential Money Market Fund" - Direct Plan - Growth	-	-	5,64,290	10.00
Indiabulls Mutual Fund "Indiabulls Liquid Fund" - Direct Plan Growth	-	-	1,71,883	21.41
JP Morgan Mutual Fund "JP Morgan India Liquid Fund" - Direct Plan - Growth	-	-	1,20,64,636	20.05
Peerless Mutual Fund "Peerless Liquid Fund" - Direct Plan Growth	-	-	2,13,97,244	30.05
Principal Mutual Fund "Principal Cash Management Fund" - Direct Plan - Growth Option	3,30,868	45.00	-	-
Reliance Mutual Fund "Reliance Liquidity Fund" - Direct Growth Plan	2,11,177	44.50	1,03,852	20.04
Religare Invesco Mutual Fund "Religare Invesco Liquid Fund" - Direct Plan Growth	-	-	1,13,465	20.00
SBI Mutual Fund "SBI Magnum Insta Cash Fund" - Direct Plan - Growth	92,339	28.51	1,41,139	40.02
Sundaram BNP Paribas Mutual Fund "Sundaram Money Fund" - Direct Plan - Growth	1,73,22,750	51.10	-	-
Taurus Mutual Fund "Taurus Liquid Fund" - Direct Plan - Super Institutional Growth	3,30,391	50.00	1,44,481	20.00
ICICI Prudential Mutual Fund "ICICI Prudential Liquid Plan" - Direct Plan - Growth	37,604	0.75	23,29,221	23.30
		390.02		311.43
Aggregate amount of unquoted investments ₹390.02 crore (Previous year ₹311.43 crore)				
Mode of valuation - Refer Note 1(j)				

Notes to the Consolidated Accounts *contd.*

	₹ in crore	
	2015	2014
18 Inventories (Refer Note - 25b)		
Raw Materials and Packing Materials (including Stock-in-transit of ₹115.26 crore; Previous year ₹153.25 crore)	1588.77	1138.92
Work-in-Process (including Stock-in-transit of ₹20.66 crore; Previous year ₹12.00 crore)	899.36	653.63
Finished Goods (including Stock-in-transit of ₹65.34 crore; Previous year ₹162.01 crore)	655.84	579.10
Stock-in-Trade (including Stock-in-transit of ₹73.26 crore; Previous year ₹20.33 crore)	607.82	523.61
Stores, Spares and Consumables	28.83	-
	3780.62	2895.26
Mode of valuation - Refer Note 1(I)		

	₹ in crore	
	2015	2014
19 Trade Receivables		
Unsecured, Considered Good		
Outstanding over Six Months from date they were due for payment	155.90	70.31
Others	1848.35	1568.58
Unsecured, Considered Doubtful		
Outstanding over Six Months from date they were due for payment	72.40	59.17
Less: Allowance for Doubtful Debts	72.40	59.17
	2004.25	1638.89

	₹ in crore	
	2015	2014
20 Cash and Bank Balances		
Cash and Cash Equivalents		
Balances with Banks (including money in transit)	472.02	140.81
Cash on Hand	11.93	1.79
Other Bank Balances		
Balance earmarked for Unclaimed Dividend	13.29	15.87
Fixed Deposits as Margin Money (maturity less than 12 months)	5.50	17.29
Fixed Deposits (maturity less than 12 months)	61.52	-
	564.26	175.76

Notes to the Consolidated Accounts *contd.*

		₹ in crore	
		2015	2014
21	Short Term Loans and Advances		
	Unsecured (Considered Good unless otherwise stated)		
	Inter Corporate Loans		
	Considered Good	0.80	15.87
	Considered Doubtful	2.25	2.25
		3.05	18.12
	Less: Allowance for Doubtful Loans	2.25	2.25
		0.80	15.87
	Interest Accrued on Inter Corporate Loans		
	Considered Good	0.68	0.36
	Considered Doubtful	0.46	0.46
		1.14	0.82
	Less: Allowance for Doubtful Interest	0.46	0.46
		0.68	0.36
	Share Application Money - Pending Allotment	1.40	3.53
	Balances with Statutory/Revenue Authorities	419.29	369.10
	Others*		
	Considered Good	285.20	206.63
	Considered Doubtful	1.62	6.37
		286.82	213.00
	Less: Allowance for Doubtful Advances	1.62	6.37
		285.20	206.63
		707.37	595.49
	* Includes advances to sundry creditors, employee loans and prepaid expenses		

		₹ in crore	
		2015	2014
22	Other Current Assets		
	Export Incentives Receivable	144.92	35.14
		144.92	35.14

Notes to the Consolidated Accounts *contd.*

	₹ in crore	
	2015	2014
23 Revenue from Operations		
Sale of Products	10991.44	9942.94
Rendering of Services	68.35	46.62
Other Operating Revenue		
Export Incentives	161.01	48.14
Technical Know-how and Licensing Fees	175.65	202.52
Scrap Sales	48.02	40.01
Others	10.00	10.30
	11454.47	10290.53

	₹ in crore	
	2015	2014
24 Other Income		
Interest		
Bank Deposits	4.01	6.11
Others	5.80	11.00
Dividend on Current Investment	22.09	73.89
Net Gain on Sale of Current Investment	49.51	7.86
Insurance Claims	19.17	2.64
Rent	0.45	2.75
Sundry Balances Written Back	6.90	24.42
Miscellaneous Receipts	14.62	21.28
Net Gain on Foreign Currency Transaction and Translation	43.00	115.42
	165.55	265.37

	₹ in crore	
	2015	2014
25a Cost of Materials Consumed		
Consumption of Raw and Packing materials		
Opening Stock	1138.92	1096.03
Add: Opening Stock of Subsidiaries acquired during the year	2.54	50.69
Add: Purchases	4187.55	3368.42
	5329.01	4515.14
Less: Closing Stock	1588.77	1138.92
	3740.24	3376.22
	3740.24	3376.22

Notes to the Consolidated Accounts *contd.*

		₹ in crore	
		2015	2014
25b	Changes in Inventories of Finished Goods, Work-in-Process and Stock-in-Trade		
Opening Stock			
Work-in-Process	653.63		569.56
Finished Goods	579.10		514.31
Stock-in-Trade	523.60		207.17
Add: Opening Stock of Subsidiaries Acquired during the year			
Work-in-Process	0.98		16.82
Finished Goods	-		11.76
Stock-in-Trade	61.49		372.46
		1818.80	1692.08
Less: Closing Stock			
Work-in-Process	899.36		653.63
Finished goods	655.84		579.10
Stock-in-Trade	607.82		523.60
		2163.02	1756.33
		(344.22)	(64.25)

		₹ in crore	
		2015	2014
26	Employee Benefits Expense		
Salaries and Wages		1695.69	1298.90
Contribution to Provident and Other Funds		74.77	71.27
Staff Gratuity		27.57	21.64
Staff Welfare Expenses		124.57	128.79
Expense on Employee Stock Option Schemes (Note 41)		51.07	22.36
		1973.67	1542.96

- **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. Benefits such as salaries, wages, short term compensated absences, etc., and the expected cost of bonus, ex-gratia are recognised in the period in which the employee renders the related service.

Notes to the Consolidated Accounts *contd.*

26 Employee Benefits Expense *contd.*

ii. Long Term Employee Benefits

The disclosures as per the revised AS-15 are as under:

a. Brief description of the Plans

Defined Contribution Plan

The Company's defined contribution plan are Employees' Pension Scheme (under the provisions of Employees' Provident Funds and Miscellaneous Provisions Act, 1952) and Government Provident Fund, since the Company has no further obligation beyond making the contributions.

Defined Benefit and other Long term Benefit Plans

The Company has two schemes for long term benefits namely, Provident Fund and Gratuity:

- The provident fund plan, a funded scheme is operated by the Cipla Employees Provident Fund for certain employees, which is recognised by the income tax authorities and administered through trustees/appropriate authorities. The Guidance Note on implementing the revised AS-15, "Employee Benefits (revised 2005)" issued by Accounting Standards Board (ASB) states benefit involving employer established provident funds, which require interest shortfalls to be recompensed, are to be considered as defined benefit plans. Accordingly, the Company has considered the provident fund as defined benefit plan.
- The Company provides for gratuity, a defined benefit plan based on actuarial valuation as of the Balance Sheet date, based upon which, the Company contributes all the ascertained liabilities to the Insurer Managed Funds.
- The employees of the Company are also entitled to leave encashment. The provision is made based on actuarial valuation for leave encashment at the year end.

b. Charge to the Statement of Profit and Loss

i. Based on contribution

	₹ in crore	
	2015	2014
Employees' Pension Scheme	22.40	13.87
Provident Fund	43.29	42.03
	<u>65.69</u>	<u>55.90</u>

- ii. Charge towards leave encashment to the Statement of Profit and Loss amounts to ₹58.97 crore (Previous year ₹52.29 crore).

Notes to the Consolidated Accounts *contd.*

26 Employee Benefits Expense *contd.*

c. Disclosures for defined benefit plans based on actuarial reports as on 31st March 2015

	₹ in crore	
	2015 Gratuity (Funded Plan)	2014 Gratuity (Funded Plan)
i. Change in defined benefit obligation		
Opening defined benefit obligation	78.71	62.94
Interest cost	7.32	5.18
Current service cost	17.09	10.69
Actuarial (gain)/loss on obligations	6.20	3.20
Benefits paid	(4.90)	(3.57)
Actuarial (gains)/losses on obligations - due to change in demographic assumptions	(0.44)	-
Actuarial (gains)/losses on obligations - due to change in financial assumptions	0.57	-
Asset transferred on purchase of undertaking	3.10	-
Actuarial (gains)/losses on obligations - due to experience	0.92	-
Liability at the end of the year	108.57	78.44
ii. Change in fair value of assets		
Opening fair value of plan assets	44.72	36.82
Expected return on plan assets	4.16	3.03
Actuarial gain/(loss)	(0.16)	(1.83)
Asset transferred on purchase of undertaking	3.40	-
Contributions by employer	5.03	10.08
Transfer of plan assets	0.07	-
Assets transferred out/divestments	(3.49)	-
Benefits paid	(4.90)	(3.57)
Actuarial gains/(losses) on plan assets - due to experience	0.22	-
Closing fair value of plan assets	49.05	44.53
iii. Amount recognised in Balance Sheet		
Present value of obligations as at year end	(108.57)	(78.45)
Direct Obligations	-	(3.48)
Fair value of plan assets as at year end	49.05	44.52
Net asset/(liability) recognised	(59.52)	(37.41)
iv. Expenses recognised in Statement of Profit and Loss		
Current service cost	17.09	10.69
Interest on defined benefit obligation	7.09	5.18
Expected return on plan assets	(3.95)	(3.03)
Liability transferred on purchase of undertaking	(3.09)	-
Net actuarial (gain)/loss recognised in the current year	10.63	5.03
Direct Payments	-	0.35
Direct Obligations	-	3.48
Transfer of plan assets	-	-
Total expense recognised in Statement of Profit and Loss	27.77	21.70

Notes to the Consolidated Accounts *contd.*

26 Employee Benefits Expense *contd.*

	₹ in crore	
	2015 Gratuity (Funded Plan)	2014 Gratuity (Funded Plan)
v. Actual return on plan assets		
Expected return on plan assets	4.16	3.03
Actuarial gain/(loss) on plan assets	0.05	(1.83)
Actual return on plan assets	4.21	1.20
vi. Asset information		
Insurer managed funds	100%	100%
vii. Experience adjustments		
Defined benefit obligation	108.57	78.45
Plan assets	(49.05)	(44.52)
Deficit/(Surplus)	59.52	33.93
Experience adjustment on plan liabilities - (gain)/loss	(0.50)	4.02
Experience adjustment on plan assets - gain/(loss)	0.39	1.83
viii. Expected employer's contribution for the next year	46.22	40.82

The actuarial calculations used to estimate commitments and expenses in respect of gratuity and compensated absences are based on the following assumptions which if changed, would affect the commitment's size, funding requirements and expense:

Principal Actuarial assumptions used	2015	2014
Discounted rate (per annum)	8.01%	9.30%
Expected rate of return on plan assets (per annum)	8.01%	9.30%
Expected rate of future salary increase	5.00% p.a.*	5.00%

* for the next 5 years, & 4.00% p.a. thereafter

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.

Amount for current and previous four periods are as follows:

	₹ in crore				
	2015	2014	2013	2012	2011
Gratuity					
Defined benefit obligation	108.57	78.45	62.95	49.27	35.16
Plan assets	(49.05)	(44.52)	(36.82)	(31.88)	(29.01)
(Surplus)/Deficit	59.52	33.93	26.13	17.39	6.15
Experience adjustment on plan liabilities - (gain)/loss	(0.50)	4.02	0.19	11.40	10.19
Experience adjustment on plan assets - (gain)/loss	0.39	1.83	1.26	0.19	(0.43)

Notes to the Consolidated Accounts *contd.*

26 Employee Benefits Expense *contd.*

d. The following table sets out the status of the provident fund plan and the amounts recognised in the group's financial statements as on 31st March 2015

	₹ in crore	
	2015 Provident Fund (Funded Plan)	2014 Provident Fund (Funded Plan)
i. Change in defined benefit obligation		
Opening defined benefit obligation	392.12	283.12
Interest cost	36.65	26.71
Current service cost	40.89	40.48
Past Service Cost	-	-
Employee Contribution	71.22	60.03
Liability transferred in	8.44	7.50
Actuarial (gain)/loss on obligations	-	-
Benefits paid	(32.95)	(25.72)
Liability at the end of the year	516.37	392.12
ii. Change in fair value of assets		
Opening fair value of plan assets	397.84	287.57
Expected return on plan assets	36.65	26.71
Actuarial gain/(loss)	2.33	1.26
Contributions by employer	112.20	100.52
Transfer of plan assets	8.44	7.50
Benefits paid	(32.95)	(25.72)
Closing fair value of plan assets	524.51	397.84
iii. Amount recognised in Balance Sheet		
Present value of obligations as at year end	(516.37)	(392.12)
Fair value of plan assets as at year end	524.51	397.84
Funded status	(8.14)	(5.72)
Unrecognised actuarial gain/(loss)	-	-
Net asset/(liability) recognised	-	-
iv. Expenses recognised in Statement of Profit and Loss		
Current service cost	40.89	40.48
Past service cost	-	-
Interest cost	36.65	26.71
Interest on defined benefit obligation	-	-
Expected return on plan assets	(36.65)	(26.71)
Net actuarial (gain)/loss recognised in the current year	-	-
Transfer of plan assets	-	-
Total expense recognised in Statement of Profit and Loss	40.89	40.48

Notes to the Consolidated Accounts *contd.*

26 Employee Benefits Expense *contd.*

	₹ in crore	
	2015 Provident Fund (Funded Plan)	2014 Provident Fund (Funded Plan)
v. Actual return on plan assets		
Expected return on plan assets	36.65	26.71
Actuarial gain/(loss) on plan assets	(2.33)	(1.26)
Actual return on plan assets	34.32	25.45
vi. Asset information		
Investment in PSU bonds	259.40	188.90
Investment in Government Securities	210.89	157.55
Bank Special Deposit	15.58	15.58
Investment in other securities	27.05	24.23
Private Sector Bonds	11.10	11.08
Equity/Insurer Managed Funds/Mutual Funds	0.50	0.50
Total Assets at the end of the year	524.51	397.84
vii. Principal Actuarial assumptions used		
Discounted rate (per annum)	8.01%	9.30%
Expected rate of return on plan assets (per annum)	8.75%	8.75%
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	5.00% p.a.*	5.00%
viii. Experience adjustments		
Defined benefit obligation	516.37	392.12
Plan assets	(524.51)	(397.84)
Deficit/(Surplus)	(8.14)	(5.72)
Experience adjustment on plan liabilities - (gain)/loss	-	-
Experience adjustment on plan assets - gain/(loss)	2.33	1.26
* for the next 5 years, & 4.00% p.a. thereafter		

	₹ in crore	
	2015	2014
27 Finance Costs		
Interest Expense	71.27	55.71
Other Borrowing Costs	1.33	15.38
Applicable Loss on Foreign Currency Transaction and Translation	95.69	74.65
	168.29	145.74

Notes to the Consolidated Accounts *contd.*

	₹ in crore	
	2015	2014
28 Depreciation and Amortisation Expense		
Depreciation on Tangible Assets	493.58	370.51
Amortisation of Intangible Assets	11.08	2.13
Amortisation of Goodwill on Acquisition	0.05	-
	504.71	372.64

	₹ in crore	
	2015	2014
29 Other Expenses		
Manufacturing Expenses	293.80	247.54
Stores and Spares	98.68	91.49
Power and Fuel	228.29	218.63
Repairs and Maintenance		
Machinery	60.60	63.47
Buildings	37.61	35.78
Travelling Expenses	299.67	275.38
Sales promotion Expenses	309.67	258.71
Commission on Sales	225.17	239.51
Rates and Taxes	39.72	40.19
Freight and Forwarding	204.02	182.10
Rent	77.46	70.64
Insurance	27.17	25.54
Payment to Auditors		
Audit Fees	4.27	3.24
Taxation Matters	0.23	0.07
For Other Services	0.21	0.30
Professional Fees	259.32	197.82
Postage and Telephone Expenses	26.78	24.77
Directors' Sitting Fees	0.19	0.13
Contractual Services	134.42	100.30
Corporate Social Responsibility Expenditure (Note 42)	12.79	9.98
Charitable Donations	0.20	0.32
Bad debts, provision for doubtful debts and advances (Net)	14.25	23.19
Loss on Sale/Discard of fixed assets (Net)	1.17	13.89
Research - Clinical Trials, Samples and Grants	111.98	105.84
Miscellaneous Expenses	550.20	393.72
	3020.37	2622.55

Notes to the Consolidated Accounts *contd.*

	₹ in crore	
	2015	2014
30 Net Difference in foreign exchange (debited)/credited to the Statement of Profit and Loss		
	(52.69)	40.77
	<u>(52.69)</u>	<u>40.77</u>

31 Lease Accounting

Where Company is a Lessee

The Company has obtained certain premises for its business operations (including furniture and fixtures, therein as applicable) under cancellable and non cancellable operating lease or leave and license agreements ranging from 11 months to 5 years or longer which are subject to renewal at mutual consent. The cancellable lease arrangements can be terminated by either party after giving due notice. Lease payments are recognised in the Statement of Profit and Loss under 'Rent' in Note 29.

The details of non-cancellable operating leases contracted by subsidiaries/step down subsidiaries, but not recognised in the financial statements are as below:

	₹ in crore	
	2015	2014
Minimum lease payments:		
Not later than 1 year	15.59	15.72
Later than 1 year but not later than 5 years	33.42	45.55
Later than 5 years	32.22	20.01
	<u>81.23</u>	<u>81.28</u>

The details of finance leases contracted by subsidiaries/step-down subsidiaries, but not recognised in the financial statements are as below:

	₹ in crore	
	2015	2014
Minimum lease payments:		
Not later than 1 year	-	4.80
Later than 1 year but not later than 5 years	-	0.48
Later than 5 years	-	-
Total minimum lease payments	<u>-</u>	<u>5.28</u>
Interest		
Not later than 1 year	-	(0.21)
Later than 1 year but not later than 5 years	-	(0.02)
Later than 5 years	-	-
Present Value	<u>-</u>	<u>5.05</u>

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 Statement of Profit and Loss under 'Rent' in Note 24.

Notes to the Consolidated Accounts *contd.*

		₹ in crore	
		2015	2014
32	Contingent Liabilities and Commitments (to the extent not provided for)		
	Contingent Liabilities		
	Claims against the Company not acknowledged as debt	15.85	4.82
	Guarantees	132.96	156.09
	Letters of Credit	49.30	9.32
	Refund of Technical Know-how and Licensing Fees on account of non-compliance of certain obligations as per respective agreements	-	2.95
	Income Tax on account of disallowances/additions	110.13	102.01
	Excise Duty/Service Tax on account of valuation/cenvat credit	111.83	82.00
	Sales Tax on account of credit/classification	5.79	5.46
		425.86	362.65
	Commitments		
	Estimated amount of contracts unexecuted on Capital Account	388.51	203.25
	Other Commitments	1005.87	754.16
		1394.38	957.41
		1820.24	1320.06

33 The Government of India has served demand notices in March 1995 and May 1995 on the Company in respect of six bulk drugs, claiming that an amount of ₹5.46 crore along with interest due thereon is payable into the DPEA under the Drugs (Prices Control) Order, 1979 on account of alleged unintended benefit enjoyed by the Company. The Company has filed its replies to the notices and has contended that no amount is payable into the DPEA under the Drugs (Prices Control) Order, 1979.

34 In 2003, the Company received notice of demand from the National Pharmaceutical Pricing Authority, Government of India on account of alleged overcharging in respect of certain drugs under the Drugs (Price Control) Order, 1995. This was contested before the jurisdictional High Courts in Mumbai, Karnataka and Allahabad wherein it was held in favour of the Company. The orders of Hon'ble High Court of Allahabad and Bombay were challenged before the Hon'ble Supreme Court of India by the Government. Although in the challenge to the decision of the Hon'ble Bombay High Court, the Hon'ble Supreme Court of India restored the matter to the Hon'ble Bombay High Court in August 2003 for interpreting the Drug Policy on the basis of directions and principles laid down by them and the same was pending, in the challenge to the Hon'ble High Court of Allahabad's order, in February 2013, the Hon'ble Supreme Court of India transferred the Bombay High Court petition also before itself for a final hearing on both the matters. In an earlier order, the Hon'ble Supreme Court has already restrained the Government from taking any coercive action against the Company. The Company has been legally advised that on the basis of these orders there is no probability of demand crystallising. Hence, no provision is considered necessary in respect of notice of demand received by the Company up to date aggregating to ₹1768.51 crore.

Notes to the Consolidated Accounts *contd.*

35 In March 2006, Meditab Specialities Pvt. Ltd. (the Subsidiary Company) acquired on lease, land admeasuring 123.20 hectares in Kerim Industrial Estate at Bhut Khamb, Taluka Ponda, Goa from Goa Industrial Development Corporation (GIDC) for setting up and development of Special Economic Zone (SEZ) for pharmaceutical products. Thereafter, the Subsidiary Company entered into sub-lease of this land with an SEZ occupier with an undertaking to provide infrastructural facilities. Following 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 development activity and GIDC on instructions of the State Government of Goa issued show cause for revoking allotment of land. The Subsidiary Company's writ petition on the challenge to the show cause was disposed by Hon'ble Bombay High Court stating that the decision of State Government of Goa was competent to alter the SEZ policy. It was also held that the Subsidiary Company may apply for re-allotment of the same land to be utilised for purpose other than SEZ. The Subsidiary Company filed Special Leave Petition before the Hon'ble Supreme Court and in which parties were directed to maintain status quo.

The Subsidiary Company has been legally advised that it has good case both on facts and on law in succeeding in its appeal. The Management is therefore of the view that no provision is required to be made on the amount incurred so far towards cost of land and on the development of SEZ amounting to ₹26.68 crore (Previous year ₹26.68 crore) as at 31st March 2015.

36 Related Party Disclosures

i. As per AS-18, "Related Party Disclosures", the related parties where control exists or where significant influence exists and with whom transaction have taken place are as below:

a. Associates

1. Mabpharm Pvt.Ltd. (upto 16th July 2014)
2. Stempeutics Research Pvt. Ltd.
3. Biomab Holding Ltd.
4. Jiangsu Cdymax Pharmaceuticals Co. Ltd. (upto 30th March 2015)

b. Key Management Personnel

1. Mr. Subhanu Saxena - Managing Director and Global Chief Executive Officer
2. Mr. S. Radhakrishnan - Whole-time Director
3. Mr. Rajesh Garg - Executive Director and Global Chief Financial Officer

c. Entities over which Key Management Personnel are able to exercise significant influence

1. Cipla Foundation

Notes to the Consolidated Accounts *contd.*

36 Related Party Disclosures *contd.*

ii. Transactions during the year with related parties:

Particulars	Associates/Joint Venture		Key Management Personnel including transactions with relatives of Key Management Personnel		Entities over which Key Management Personnel exercise significant influence		Total	
	2015	2014	2015	2014	2015	2014	2015	2014
Investment in Equity	19.60	9.90	-	-	-	-	19.60	9.90
Loan given	-	2.94	-	-	-	-	-	2.94
Remuneration	-	-	21.98	36.40	-	-	21.98	36.40
Purchase of Goods	-	-	-	-	-	66.52	-	66.52
Processing charges paid	-	-	-	-	-	23.67	-	23.67
Sale of Goods	-	-	-	-	-	30.32	-	30.32
Sale of Fixed Assets	-	-	-	-	-	1.17	-	1.17
Purchase of Fixed Assets	-	-	-	-	-	0.04	-	0.04
Loan repaid	2.94	-	-	-	-	-	2.94	-
Processing charges received	-	-	-	-	-	0.80	-	0.80
Service charges received	-	1.64	-	-	-	-	-	1.64
Service charges paid	-	0.00*	-	-	-	1.82	-	1.82
Testing and Analysis charges received	-	0.00**	-	-	-	0.34	-	0.34
Donations given	-	-	-	-	9.28	9.59	9.28	9.59
Rent paid	-	-	-	-	-	0.40	-	0.40
Rent received	-	2.95	-	0.00#	-	-	-	2.95
Reimbursement of operating/other expenses	-	-	-	-	-	0.48	-	0.48
Reimbursement received of operating/other expenses	-	0.04	-	-	-	0.03	-	0.07
Balances at end of the year								
Outstanding Payables	-	0.02	-	-	-	20.28	-	20.30
Outstanding Receivables	-	9.18	-	-	-	12.74	-	21.92

* ₹25000

₹20040

** ₹17977

Notes to the Consolidated Accounts *contd.*

36 Related Party Disclosures *contd.*

Disclosures in respect of related party transactions during the year:

	₹ in crore	
	2015	2014
A. Investment in Equity		
Stempeutics Research Pvt. Ltd. ¹	19.60	9.90
	<u>19.60</u>	<u>9.90</u>
B. Loan given		
Stempeutics Research Pvt. Ltd.	-	2.94
	<u>-</u>	<u>2.94</u>
C. Remuneration		
Dr. Y. K. Hamied ⁶	-	2.30
Mr. M. K. Hamied ⁵	-	6.88
Mr. S. Radhakrishnan	3.69	3.67
Mr. Kamil Hamied ⁶	-	0.96
Ms. Samina Vaziralli ⁶	-	0.90
Mr. Subhanu Saxena	13.31	21.69
Mr. Rajesh Garg	4.98	-
	<u>21.98</u>	<u>36.40</u>
D. Purchase of Goods		
Okasa Pharma Pvt. Ltd. ⁷	-	44.38
Okasa Pvt. Ltd. ⁷	-	22.14
	<u>-</u>	<u>66.52</u>
E. Processing charges paid		
Okasa Pharma Pvt. Ltd. ⁷	-	8.91
Okasa Pvt. Ltd. ⁷	-	14.76
	<u>-</u>	<u>23.67</u>
F. Sale of Goods		
Okasa Pharma Pvt. Ltd. ⁷	-	27.79
Okasa Pvt. Ltd. ⁷	-	2.53
	<u>-</u>	<u>30.32</u>
G. Sale of Fixed Assets		
Okasa Pharma Pvt. Ltd. ⁷	-	1.00
Okasa Pvt. Ltd. ⁷	-	0.17
	<u>-</u>	<u>1.17</u>

Notes to the Consolidated Accounts *contd.*

36 Related Party Disclosures *contd.*

	₹ in crore	
	2015	2014
H. Purchase of Fixed Assets		
Okasa Pharma Pvt. Ltd. ⁷	-	0.04
	-	0.04
I. Loan repaid		
Stempeutics Research Pvt. Ltd.	2.94	-
	2.94	-
J. Processing charges received		
Okasa Pharma Pvt. Ltd. ⁷	-	0.48
Okasa Pvt. Ltd. ⁷	-	0.32
	-	0.80
K. Service charges received		
Mabpharm Pvt. Ltd.	-	1.64
	-	1.64
L. Service charges paid		
Mabpharm Pvt. Ltd.	-	0.00 ²
Hamied Foundation	-	1.82
	-	1.82
M. Testing and Analysis charges received		
Mabpharm Pvt. Ltd.	-	0.00 ³
Okasa Pharma Pvt. Ltd. ⁷	-	0.16
Okasa Pvt. Ltd. ⁷	-	0.18
	-	0.34
N. Donations given		
Cipla Cancer & AIDS Foundation ⁷	-	2.32
Cipla Foundation ⁸	9.28	7.27
	9.28	9.59
O. Rent paid		
Okasa Pvt. Ltd. ⁷	-	0.40
	-	0.40

Notes to the Consolidated Accounts *contd.*

36 Related Party Disclosures *contd.*

	₹ in crore	
	2015	2014
P. Rent received		
Dr. Y. K. Hamied ⁶	-	0.00 ⁴
Mabpharm Pvt. Ltd.	-	2.95
	-	2.95
Q. Reimbursement of operating/other expenses		
Okasa Pharma Pvt. Ltd. ⁷	-	0.37
Okasa Pvt. Ltd. ⁷	-	0.12
	-	0.49
R. Reimbursement received of operating/other expenses		
Okasa Pharma Pvt. Ltd. ⁷	-	0.03
Mabpharm Pvt. Ltd.	-	0.04
	-	0.07
S. Outstanding Payables		
Stempeutics Research Pvt. Ltd.	-	0.02
Okasa Pharma Pvt. Ltd. ⁷	-	20.24
Okasa Pvt. Ltd. ⁷	-	0.04
	-	20.30
T. Outstanding Receivables		
Mabpharm Pvt. Ltd.	-	9.18
Okasa Pharma Pvt. Ltd. ⁷	-	0.10
Okasa Pvt. Ltd. ⁷	-	12.64
	-	21.91

¹ includes share application money of ₹1.40 crore (Previous year ₹3.53 crore)

² ₹25000

³ ₹17977

⁴ ₹20040

⁵ Non-Executive Vice Chairman effective 1st April 2014

⁶ Relatives of Non-Executive Vice Chairman effective 1st April 2014

⁷ Entities on which Non-Executive Chairman or Non-Executive Vice Chairman have significant influence

⁸ Entity on which Whole-time Director has significant influence

37 During the year, the Company acquired 51% stake in Saba Investment Ltd., UAE, which in turn holds 99% stake in two entities in Yemen. Accordingly the Company's effective stake in the Yemen entities is 50.49%.

As per the share purchase agreement, a provision of USD 20.3 million (equivalent to ₹126.88 crore) has been accounted for and given effect in these financial statements towards additional consideration to be paid on achievement of agreed milestones.

Notes to the Consolidated Accounts *contd.*

38 Foreign Exchange Derivatives and Exposures outstanding at the year end

₹ in crore

Nature of Hedging Instrument	Currency	Cross Currency	2015	2014
Forward contracts - Sold	USD	INR	799.43	1261.14
	ZAR	INR	225.99	-
Forward contracts - Bought	USD	INR	535.78	826.83
Unhedged foreign exchange exposures				
Receivables			898.97	327.92
Payables			575.59	457.91
Short Term Borrowings			843.75	-

Note: The Company uses forward contracts/derivatives for hedging purposes and/or reducing interest costs.

39 Segment Information

i. Information about Primary Business Segments:

The Company is exclusively in the pharmaceutical business segment.

ii. Information about Secondary Geographical Segments:

₹ in crore

	India		USA		South Africa		Rest of the World		Total	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Segment Revenue	4893.88	4147.40	1237.91	861.38	1443.49	1402.09	3551.13	3591.07	11126.41	10001.94
Carrying Amount of Segment Assets	9811.16	8145.67	81.62	233.88	882.57	804.16	665.98	203.40	11441.33	9387.11
Carrying Amount of Other unallocated Assets	-	-	-	-	-	-	-	-	79.99	77.28
Capital Expenditure	840.00	475.61	-	-	32.78	271.66	160.02	118.99	1032.80	866.26

Notes: a. The Segment Revenue in the geographical segments considered for disclosure are as follows:

- Segment Revenue on the basis of location of customers.
- Segment Assets and Capital Expenditure on the basis of location of assets

b. Segment Revenue and Assets include the respective amounts identifiable to each of the segments.

Notes to the Consolidated Accounts *contd.*

40 Basic and Diluted Earnings per share has been computed as under

	2015	2014
Profit for the Year (₹ in crore)	1180.77	1388.41
Basic Weighted Average No. of Shares Outstanding	80,29,29,709	80,29,21,357
Basic Earnings per share	₹14.71	₹17.29
ESOSs outstanding	26,58,008	11,58,193
Diluted Weighted Average No. of Shares Outstanding	80,55,87,717	80,40,79,550
Diluted Earnings per share	₹14.66	₹17.27
Face value per share	₹2.00	₹2.00

41 Employee Stock Option Schemes

The Company has implemented "ESOS 2013", "ESOS 2013 - A" and "ESOS 2013 - B" as approved by the shareholders on 8th April 2013, 22nd August 2013 and 22nd August 2013 respectively. Details of the Options granted during the year under the Scheme(s) are as given below:

Scheme Details	Grant date	No. of options Granted	Exercise Price (₹) per option	Vesting Period	Exercise Period
ESOS 2013 - A	08-Sep-14	95,248	2.00	1 to 2 years	5 years from Vesting date
ESOS 2013 - A	31-Oct-14	9,22,230	2.00	1 to 2 years	5 years from Vesting date
ESOS 2013 - A	11-Feb-15	43,495	2.00	1 to 2 years	5 years from Vesting date
ESOS 2013 - A	11-Feb-15	18,131	2.00	1 to 2 years	5 years from Vesting date
ESOS 2013 - A	11-Feb-15	233	2.00	1 to 2 years	5 years from Vesting date

The options are granted at an exercise price, which is in accordance with the relevant SEBI regulations 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.

Notes to the Consolidated Accounts *contd.*

41 Employee Stock Option Schemes *contd.*

Stock Option activity under the Scheme(s) for the year ended 31st March 2015 is set out below:

ESOS 2013

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	10,00,000	197.50	197.50	7.23
Granted during the year	-	-	-	-
Forfeited/Cancelled during the year	-	-	-	-
Exercised during the year	-	-	-	-
Outstanding at the end of the year	10,00,000	197.50	197.50	6.23
Exercisable at the end of the year	-	-	-	-

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	14,71,797	2.00	2.00	6.36
Granted during the year	10,79,626	-	-	-
Forfeited/Cancelled during the year	2,81,313	-	-	-
Exercised during the year	39,083	-	-	-
Outstanding at the end of the year	22,31,027	2.00	2.00	5.98
Exercisable at the end of the year	2,18,014	2.00	2.00	4.76

ESOS 2013 - B

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	5,22,194	220.78	220.78	7.67
Granted during the year	-	-	-	-
Forfeited/Cancelled during the year	-	-	-	-
Exercised during the year	-	-	-	-
Outstanding at the end of the year	5,22,194	220.78	220.78	6.67
Exercisable at the end of the year	-	-	-	-

Notes to the Consolidated Accounts *contd.*

41 Employee Stock Option Schemes *contd.*

The Black Scholes valuation model has been used for computing weighted average fair value considering the following inputs:

Particulars	ESOS 2013	ESOS 2013 - A	ESOS 2013 - B
Expected dividend yield	No options granted during the year	0.31%	No options granted during the year
Expected volatility		23.80%	
Risk-free interest rate		8.34%	
Weighted average share price (₹)		641.78	
Exercise price (₹)		2.00	
Expected life of options granted in years		4.50	
Weighted average fair value of options (₹)		631.48	

The stock-based compensation cost calculated as per the intrinsic value method for the period 1st April 2014 to 31st March 2015 is ₹50.90 crore (Standalone ₹39.45 crore). If the stock-based compensation cost was calculated as per the fair value method prescribed by SEBI, the total cost to be recognised in the financial statements for the period 1st April 2014 to 31st March 2015 would be ₹53.99 crore (Standalone ₹42.74 crore). The effect of adopting the fair value method on the net income and earnings per share is presented below:

₹ in crore			
Particulars		2015	2014
Profit after tax as reported		1180.77	1388.41
Add: ESOS cost using intrinsic value method		50.90	21.64
Less: ESOS cost using fair value method		53.99	24.44
Adjusted profit after tax		1177.68	1385.61
Earnings per share			
Basic			
	As reported	₹14.71	₹17.29
	Adjusted	₹14.67	₹17.26
Diluted			
	As reported	₹14.66	₹17.27
	Adjusted	₹14.62	₹17.23

Notes to the Consolidated Accounts *contd.*

42 Corporate Social Responsibility (CSR) Expenditure

The Company has incurred a total expenditure of ₹13.43 crore, which is being debited to the profit and loss account for the year ended 31st March 2015.

₹ in crore

Nature of expenses	Schedule in the financial statements	Amount
Donation to the trusts set for CSR purposes	Other expenses (Note 29)	12.79
Administrative expenses incurred in connection with supervising the projects handled by the trusts	Salaries and wages (Note 25)	0.64
Total		13.43

The CSR committee constituted by the Board of Directors of the Company under section 135 of the Act supervises all the expenditure incurred for CSR purposes. The Company makes contribution to 2 trusts being set up to execute and manage the projects being undertaken as directed and monitored by the CSR committee.

Following is the information regarding projects undertaken and expenses incurred on CSR activities during the year ended 31st March 2015:

- Gross amount required to be spent by the Company during the year - ₹34.86 crore
- Amount spent during the year on (by way of contribution to the trusts and projects undertaken):

₹ in crore

Particulars	Amount paid in cash	Amount yet to be paid in cash	Total amount
Construction of asset	4.58	-	4.58
Other projects	8.21	-	8.21
Administrative expenses	0.64	-	0.64
Total	13.43	-	13.43

43 Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure

As per our report of even date			
For V. Sankar Aiyar & Co., Chartered Accountants Firm Reg. No. 109208W	For R.G.N. Price & Co., Chartered Accountants Firm Reg. No. 002785S	Subhanu Saxena Managing Director and Global Chief Executive Officer	Rajesh Garg Executive Director and Global Chief Financial Officer
V. Mohan Partner Membership No. 17748	R. Rangarajan Partner Membership No. 41883		Mital Sanghvi Company Secretary
Mumbai, 29 th May 2015			Mumbai, 29 th May 2015

CIPLA LIMITED

Registered Office: Cipla House, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai – 400 013
Phone: (9122) 24826000, Fax: (9122) 24826893, Email: cosecretary@cipla.com, Website: www.cipla.com
Corporate Identity Number: L24239MH1935PLC002380

NOTICE

NOTICE is hereby given that the SEVENTY-NINTH ANNUAL GENERAL MEETING of CIPLA LIMITED will be held at Y. B. Chavan Auditorium, General Jagannath Bhosale Marg, Mumbai – 400 021, on Thursday, 27th August 2015 at 3.00 p.m. to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt:
 - a. the audited financial statement of the Company for the year ended 31st March 2015, the reports of the Board of Directors and Auditors thereon.
 - b. the audited consolidated financial statement of the Company for the year ended 31st March 2015 and the report of the Auditors thereon.
2. To declare Dividend for the year ended 31st March 2015.
3. To appoint a Director in place of Mr. Subhanu Saxena (DIN: 06620380), who retires by rotation and being eligible, offers himself for re-appointment.
4. To consider and, if thought fit, to pass the following resolution, as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. V. Sankar Aiyar & Co., Chartered Accountants (Firm Reg. No. 109208W) and M/s. R.G.N. Price & Co., Chartered Accountants (Firm Reg. No. 002785S), be and are hereby re-appointed as Joint Statutory Auditors of the Company to hold the office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting upon such remuneration, taxes and out of pocket expenses, as may be fixed by the Board of Directors of the Company in mutual consultation with the Auditors.

RESOLVED FURTHER THAT pursuant to the provision of section 143(8) and other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Board of Directors of the Company be and is hereby authorised to appoint Auditors for the Company's branch office(s) outside India (whether now or as may be established hereafter) in terms of section 143 of the Companies Act, 2013 in consultation with the Auditors of the Company to examine and audit the financial statements for the financial year ending on 31st March 2016 upon such remuneration, terms and conditions as the Board of Directors may deem fit.”

SPECIAL BUSINESS:

5. To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of section 152 and other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including

Notice *contd.*

any statutory modification(s) or re-enactment thereof for the time being in force), Ms. Samina Vaziralli (DIN: 00027923), appointed as an Additional Director of the Company pursuant to the provisions of section 161 of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting, be and is hereby appointed as a Director of the Company, liable to retire by rotation, with effect from the commencement of this Annual General Meeting.”

6. To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of sections 196, 197 and other applicable provisions of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with Schedule V to the Act (including any amendments thereto or re-enactment thereof for the time being in force), the Company in general meeting hereby approves, confirms and ratifies the appointment of Ms. Samina Vaziralli (DIN: 00027923) as a Whole-time Director of the Company designated as “Executive Director”, with the benefit of continuity of service, for a period of five years commencing from 10th July 2015 and concluding on 9th July 2020 on the terms and conditions as stipulated in employment agreement dated 9th July 2015 entered into between the Company and Ms. Samina Vaziralli which agreement be and is hereby approved, ratified and confirmed. The terms and conditions of Ms. Samina Vaziralli’s employment, including remuneration (as stipulated in the said employment agreement) is abstracted below:

- A. Fixed Salary: ₹2,00,00,000 per annum with the liberty to the Board to sanction such increase as it may determine from time to time provided that the fixed salary does not exceed ₹5,00,00,000 per annum. The Fixed Salary is gross of income tax and any contribution to be made under the provisions of the Employee Provident Fund and Miscellaneous Provisions Act, 1952.
- B. Variable Bonus: Target variable bonus @25% of Fixed Salary as per financial year depending on mutually agreed qualitative and quantitative Key Performance Indicators (KPIs).
- C. Accommodation: Rent-free furnished accommodation or house rent allowance in lieu of accommodation. This amount has been included in the Fixed Salary. Ms. Samina Vaziralli shall also be eligible for maintenance of accommodation including furniture, fixtures and furnishings and re-imbursement of expenses incurred on gas, electricity, water and telephone bills.
- D. Other Perquisites:
 - i. Life insurance for Ms. Samina Vaziralli and health insurance for Ms. Samina Vaziralli and her immediate family. Appropriate directors and officers insurance policy for Ms. Samina Vaziralli.
 - ii. Appropriate corporate club membership for Ms. Samina Vaziralli.
 - iii. Provision of car(s), maintenance of car(s) and driver(s) for Ms. Samina Vaziralli.
 - iv. Re-imbursement of medical expenses incurred by Ms. Samina Vaziralli and her immediate family.
- E. The Board is authorised to fix actual remuneration and revise it from time to time within the aforesaid ceilings.
- F. If in any financial year during the currency of tenure of Ms. Samina Vaziralli, the Company has no profits or its profits are inadequate, Ms. Samina Vaziralli shall be entitled to minimum remuneration by way of fixed salary, perquisites and allowances not exceeding the ceiling limit specified under section II of Part II of Schedule V to the Act and in addition thereto, Ms. Samina Vaziralli shall also be eligible to the perquisites and allowances not exceeding the limits specified under section IV of Part II of Schedule V to the Act.
- G. This appointment of Ms. Samina Vaziralli is liable for termination by either party giving three month’s prior notice in writing to the other or pro-rata Fixed Salary in lieu of notice.

Notice *contd.*

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or any Director or Officer to give effect to the resolution hereof."

7. To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of section 148 and all other applicable provisions of the Companies Act, 2013 read with all applicable rules including the Companies (Audit and Auditors) Rules, 2014 (including any amendments thereto or re-enactment thereof for the time being in force), Mr. D. H. Zaveri, the Cost Auditor appointed by the Board of Directors of the Company to audit the cost records of pharmaceutical products manufactured by the Company for the financial year ending 31st March 2016, be paid a remuneration of ₹9,00,000 plus applicable taxes as well as the reimbursement of out of pocket expenses incurred for the purpose of cost audit.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By Order of the Board of Directors

Mital Sanghvi
Company Secretary

Mumbai, 9th July 2015

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

Proxies, to be effective, should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.

2. The Statement pursuant to section 102 of the Companies Act, 2013 ("the Act") is annexed hereunder and forms part of the Notice.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from Thursday, 13th August 2015 to Thursday, 27th August 2015, both days inclusive.
4. The dividend for the year ended 31st March 2015 as recommended by the Board, if sanctioned at the Meeting, will be paid to those members whose names appear in the Company's Register of Members on Wednesday, 12th August 2015. In respect of shares held in dematerialised form, the dividend will be payable on the basis of beneficial ownership as per details furnished by National Securities Depository Limited and Central Depository Services (India) Limited.

Notice *contd.*

5. Members holding shares in physical form are requested to forward all applications for transfers and all other shares-related correspondence (including intimation for change of address) to the Share Transfer Agents of the Company at the following address:

Karvy Computershare Private Limited
(Unit: Cipla Limited)
Karvy Selenium Tower B, Plot No.: 31 & 32 Gachibowli,
Financial District,
Nanakramguda, Serilingampally
Hyderabad, Telangana – 500032
Tel: (040) 6716 2222 / 6716 1511
Fax: (040) 2300 1153

6. Members holding shares in dematerialised form may please note that, the bank details as furnished by the respective Depositories to the Company will be used for the purpose of distribution of dividend as directed by the Stock Exchanges. In the absence of electronic credit facility, the bank account details, if available, will be printed on the dividend warrants. Members holding shares in dematerialised form must give instructions, regarding bank accounts in which they wish to receive dividend, to their Depository Participants. The Company or the Share Transfer Agents will not act on any direct request from such members for change/deletion in such bank details.
7. Members who hold shares in physical form can nominate a person in respect of all the shares held by them singly or jointly. Members who hold shares in single name are advised, in their own interest, to avail of the nomination facility by filling Form No. SH-13 in duplicate with the Share Transfer Agents which, on request will supply blank forms. Members holding shares in the dematerialised form may contact the Depository Participant for recording nomination in respect of their shares.
8. Members may please note that, Securities and Exchange Board of India (SEBI) has made Permanent Account Number (PAN) as the sole identification number for all participants transacting in the securities market, irrespective of the amount of such transactions. SEBI has also mandated that for securities market transactions and off market/private transactions involving transfer of shares in physical form, it shall be necessary for the transferee(s) to furnish copy of PAN card to the Company/Share Transfer Agents for registration of such transfer of shares.

Members may please note that, SEBI has also made it mandatory for submission of PAN in the following cases viz. (i) Deletion of name of the deceased shareholder(s) (ii) Transmission of shares to the legal heir(s) and (iii) Transposition of shares.

9. All unclaimed dividends up to the financial year ended 31st March 1995 have been transferred to the General Revenue Account of the Central Government. Members who have not encashed the dividend warrants for the said period(s) are requested to claim the amount from the Registrar of Companies, Maharashtra, CGO Complex, CBD Belapur, Navi Mumbai - 400 614, by submitting an application in Form No. II.

Pursuant to the provisions of section 205A and 205C of the Companies Act, 1956, dividends that remain unclaimed for a period of seven years shall be transferred to Investor Education and Protection Fund (IEPF). Accordingly, unclaimed dividends from the financial year ended 31st March 1996 till 31st March 2007 have been transferred by the Company to IEPF.

Members may note that unclaimed dividend for the financial year ended 31st March 2008 shall become due for transfer to IEPF on 28th September 2015. Members should also note that any sum transferred to IEPF shall stand forfeited and no claim shall lie either against IEPF or the Company. Those members, who have not encashed their dividends for the financial year ended 31st March 2008, are requested to claim it from the

Notice *contd.*

Share Transfer Agents immediately. Such of those members who have not so far claimed their dividend for the subsequent financial years are also advised to claim it from the Share Transfer Agents.

10. The face value of shares has been sub-divided from ₹10 to ₹2 per equity share in the year 2004. Members who have not yet exchanged share certificates of ₹10 face value are requested to surrender their old certificates to the Share Transfer Agents at the address stated above for exchange with new share certificates of ₹2 face value.
11. The Ministry of Corporate Affairs (MCA) has taken a “Green Initiative in Corporate Governance” by allowing companies to send documents to their shareholders in electronic mode. To support this green initiative and to receive communications from the Company in electronic mode, members who have not registered their e-mail addresses and are holding shares in physical form are requested to contact the Share Transfer Agents of the Company and register their email-id. Members holding shares in dematerialised form are requested to contact their Depository Participant. Members may please note that notices, annual reports, etc. will be available on the Company's website - www.cipla.com and the same shall also be available for inspection, during office hours, at the Registered Office of the Company. Members will be entitled to receive the said documents in physical form free of cost at any time upon request.
12. As required under Secretarial Standard - 2 and Clause 49 of the Listing Agreement, the relevant information in respect of the Director seeking re-appointment at the Annual General Meeting is enclosed as Annexure 1.
13. Voting through Electronic means:
 - i. In terms of the provisions of section 108 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Clause 35B of the Listing Agreement, the Company is pleased to provide to its members facility to exercise their right to vote on resolutions proposed to be passed at the Meeting by electronic means. The members may cast their votes using an electronic voting system from a place other than the venue of the Meeting ('remote e-voting').
 - ii. The facility for voting through electronic voting system shall be made available at the venue of the Meeting ('InstaPoll') and the members attending the Meeting who have not cast their vote by remote e-voting shall be able to vote at the Meeting through InstaPoll.
 - iii. The members who have cast their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote again.
 - iv. The Company has engaged the services of Karvy Computershare Private Limited ("Karvy") as the Agency to provide electronic voting facility.
 - v. The Board of Directors of the Company has appointed Mr. B Narasimhan, Practising Company Secretary or failing him Mr. Keyoor Bakshi, Practising Company Secretary as the Scrutinizer to scrutinize the remote e-voting process and InstaPoll in a fair and transparent manner and they have communicated their willingness to be appointed and will be available for same purpose.
 - vi. Voting rights shall be reckoned on the paid-up value of shares registered in the name of the member/beneficial owner (in case of electronic shareholding) as on the cut-off date i.e. Thursday, 20th August 2015.
 - vii. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, i.e. Thursday, 20th August 2015 only shall be entitled to avail the facility of remote e-voting / InstaPoll.

Notice *contd.*

viii. Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e. Thursday, 20th August 2015, may obtain the User ID and password in the manner as mentioned below:

- a. If the mobile number of the member is registered against Folio no. / DP ID Client ID, the member may send SMS: MYEPWD<space> E-Voting Event Number+Folio no. or DP ID Client ID to 9212993399.

Example for NSDL:

MYEPWD<SPACE>IN12345671234567

Example for CDSL:

MYEPWD<SPACE>1234567812345678

Example for Physical:

MYEPWD<SPACE>XXXX1234567890

- b. If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.karvy.com>, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
- c. Member may call Karvy's toll free number 1800 345 4001
- d. Member may send an e-mail request to evoting@karvy.com

If the member is already registered with Karvy e-voting platform then he can use his existing User ID and password for casting the vote through remote e-voting.

ix. The remote e-voting facility will be available during the following period:

Commencement of remote e-voting: From 9.00 a.m. (IST) on Monday, 24th August 2015

End of remote e-voting: Up to 5.00 p.m. (IST) on Wednesday, 26th August 2015

The remote e-voting will not be allowed beyond the aforesaid date and time and the voting module shall be disabled by Karvy upon expiry of aforesaid period.

- x. A person who is not a member as on the cut-off date should treat this Notice for information purposes only.
- xi. Instructions and other information relating to remote e-voting:

1. A. In case a member receives an e-mail from Karvy:

- a. Launch internet browser by typing the URL: <https://evoting.karvy.com>
- b. Enter the login credentials (i.e. User ID and password mentioned in the email). The Electronic Voting Event Number+Folio No. or DP ID Client ID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
- c. After entering these details appropriately, click on "LOGIN".
- d. If you are logging in for the first time, you will reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@, #, \$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc., on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

Notice *contd.*

- e. You need to login again with the new credentials.
- f. On successful login, the system will prompt you to select the E-Voting Event Number for Cipla Limited.
- g. On the voting page enter the number of shares (which represents the number of votes) as on the cut-off date under "FOR / AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR / AGAINST" taken together should not exceed your total shareholding as on the cut-off date. You may also choose the option "ABSTAIN" and the shares held will not be counted under either head.
- h. Members holding shares under multiple folios / demat accounts shall choose the voting process separately for each of the folios / demat accounts.
- i. Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.
- j. You may then cast your vote by selecting an appropriate option and click on "Submit".
- k. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, members can login any number of times till they have voted on the Resolution(s).
- l. Corporate / Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution / Power of Attorney / Authority Letter, etc., together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e-mail ID: ciplascrutinizer@gmail.com. They may also upload the same in the e-voting module in their login. The scanned image of the above mentioned documents should be in the naming format "Corporate Name_EVENT NO."

B. In case a member receives physical copy of the Notice of AGM:

- a. Launch internet browser by typing the URL: <https://evoting.karvy.com>
 - b. Enter the login credentials (i.e. User ID and password mentioned in the electronic voting form).
 - c. Please follow all steps from (c) to (l) as mentioned in 1A above, to cast your vote.
- 2. Once the vote on a resolution is cast by a member, the member shall not be allowed to change it subsequently or cast the vote again.
 - 3. In case of any query / grievance pertaining to e-voting, please visit Help & FAQ's section available at Karvy's website <https://evoting.karvy.com> or contact Mr. MRV Subrahmanyam of Karvy on contact no. (040) 6716 2222 or write to him at Karvy Computershare Private Limited (Unit: Cipla Limited), Karvy Selenium Tower B, Plot No.: 31 & 32 Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad, Telangana - 500 032.
 - 4. The Scrutinizer's decision on the validity of the votes shall be final and binding.
 - 5. The Scrutinizer, after scrutinising the votes cast through remote e-voting and InstaPoll, not later than 48 hours from the conclusion of the annual general meeting, make a scrutinizer's report and submit the same to the Chairman or any authorised person who shall countersign the same.
 - 6. The Results on resolutions shall be declared on or after the AGM of the Company and the resolutions will be deemed to be passed on the AGM date subject to receipt of the requisite number of votes in favour of the resolutions.
 - 7. The Results declared along with the scrutinizer's report shall be placed on the website of the Company www.cipla.com and on the website of Karvy <https://evoting.karvy.com>. The results shall also be communicated to the Stock Exchanges.

Notice *contd.*

STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013 SETTING OUT ALL MATERIAL FACTS CONCERNING THE SPECIAL BUSINESS IN THE NOTICE DATED 9TH JULY 2015

Item No. 5 and 6: Ordinary Resolution

Ms. Samina Vaziralli, aged 39 years, is the daughter of Mr. M.K. Hamied, Non-Executive Vice-Chairman and niece of Dr. Y. K. Hamied, Non-Executive Chairman.

She is part of the core leadership team and has been with the Company since 2011. She has played a significant role in the Company's ongoing transformation journey. She has a good understanding of both operating levers of the business today and key drivers for future growth and sustainability.

She has been responsible for successfully incubating and shaping Cipla's Consumer Healthcare business as part of Cipla New Ventures. She has also recently taken on an expanded role leading global strategic alliance and enabling Cipla's people strategy and leadership development.

Her areas of expertise include strategy, business development and human resources function.

She has earlier worked with the investment management division of Goldman Sachs and brings diverse experience of working in the United States, the United Kingdom, and more recently India.

She holds a B.Com. degree from Mumbai University and has completed MSc in International Accounting and Finance from The London School of Economics and Political Science.

The Board of Directors as per the recommendation of Nomination and Remuneration Committee, appointed Ms. Samina Vaziralli as an Additional Director with effect from 10th July 2015 pursuant to section 161 of the Companies Act, 2013 read with the Company's Articles of Association. She holds the office up to the date of ensuing Annual General Meeting. The Company has received, along with the requisite deposit, a notice under section 160 of the Companies Act, 2013 in writing from a member proposing her appointment as a Director of the Company.

The Board of Directors also appointed Ms. Samina Vaziralli as a Whole-time Director of the Company designated as "Executive Director" under sections 196 and 197 read with Schedule V to the Companies Act, 2013 for a period of 5 years commencing from 10th July 2015 subject to the approval of members in the General Meeting.

Her last drawn salary (inclusive of all allowances and perquisites) was ₹10,35,659 per month and she was entitled to performance bonus of upto 25% of her annual salary.

As on the date of Notice, she holds 98,59,500 equity shares in the Company.

As on the date of Notice, she holds directorships in the following companies: Jay Precision Pharmaceuticals Private Limited and Twist Pharma Private Limited.

As on the date of Notice, she does not hold membership/chairmanship of any of the Committees of the Board in which she is a Director.

Agreement executed between the Company and Ms. Samina Vaziralli for her appointment as Whole-time Director is available for inspection at the Registered Office of the Company during normal business hours on all working days up to the date of ensuing Annual General Meeting. Copy of the agreement shall also be available for inspection at the Annual General Meeting.

Except Ms. Samina Vaziralli, Dr. Y. K. Hamied and Mr. M. K. Hamied and their relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolutions set out in item nos. 5 and 6.

This Statement may be regarded as disclosure under Secretarial Standard - 2 and Clause 49 of the Listing Agreement.

Notice *contd.*

Item No. 7: Ordinary Resolution

The Board, on the recommendation of the Audit Committee, has approved the appointment of Mr. D. H. Zaveri as the Cost Auditor to audit the cost records of pharmaceutical products manufactured by the Company for the financial year ending 31st March 2016 on a remuneration of ₹9,00,000 plus applicable taxes as well as the reimbursement of out of pocket expenses incurred for the purpose of cost audit.

In accordance with the provisions of section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution.

By Order of the Board of Directors

Mumbai, 9th July 2015

Mital Sanghvi
Company Secretary

ANNEXURE 1

RELEVANT INFORMATION IN RESPECT OF THE DIRECTOR SEEKING RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING AS REQUIRED UNDER SECRETARIAL STANDARD - 2 AND CLAUSE 49 OF THE LISTING AGREEMENT IS AS UNDER:

Mr. Subhanu Saxena, aged 50 years has a BA (Hons) in Engineering Science from Oxford University and an MBA from INSEAD, Paris. A UK Citizen, Mr. Subhanu Saxena holds Overseas Citizen of India (OCI) card. He is fluent in English, Hindi and Sanskrit and has a working knowledge of French, German and Russian.

The Company had initially appointed Mr. Subhanu Saxena as the Chief Executive Officer of the Company with effect from 1st February 2013.

Mr. Subhanu Saxena was appointed as Managing Director of the Company designated as "Managing Director and Global Chief Executive Officer" for a period of five years commencing from 16th July 2013 and concluding on 15th July 2018 on the terms and conditions as stipulated in employment agreement dated 15th July 2013 and amendment to the employment agreement dated 15th July 2013 as approved by the members at the Annual General Meeting held on 22nd August 2013 and 3rd September 2014.

Mr. Saxena has rich work experience of over 25 years, in industries as varied as Fast Moving Consumer Goods (FMCG), consulting, banking and pharmaceuticals. Prior to joining the Company as Chief Executive Officer, he was working with Novartis AG, where he led the Global Product Strategy and Commercialization function, a position he held for three years.

The details of Board meetings attended by him during the year 2014-15 are stated in the Corporate Governance Report.

He is the Chairman of Risk Management Committee and Mergers and Acquisitions Committee of the Company. He is the member of Corporate Social Responsibility Committee of the Company.

He does not hold directorship in any other Company.

He is not related to any Director and other Key Managerial Personnel of the Company.

As on the date of Notice, Mr. Subhanu Saxena does not hold any equity share in the Company.

CIPLA LIMITED

Registered Office: Cipla House, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai- 400 013
Phone: (9122) 24826000, Fax: (9122) 24826893, Email: cosecretary@cipla.com, Website: www.cipla.com
Corporate Identity Number: L24239MH1935PLC002380

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

Folio No.: _____ DP ID No.: _____ Client ID No.: _____

Name/s: _____

(1st name)

(Joint Holder)

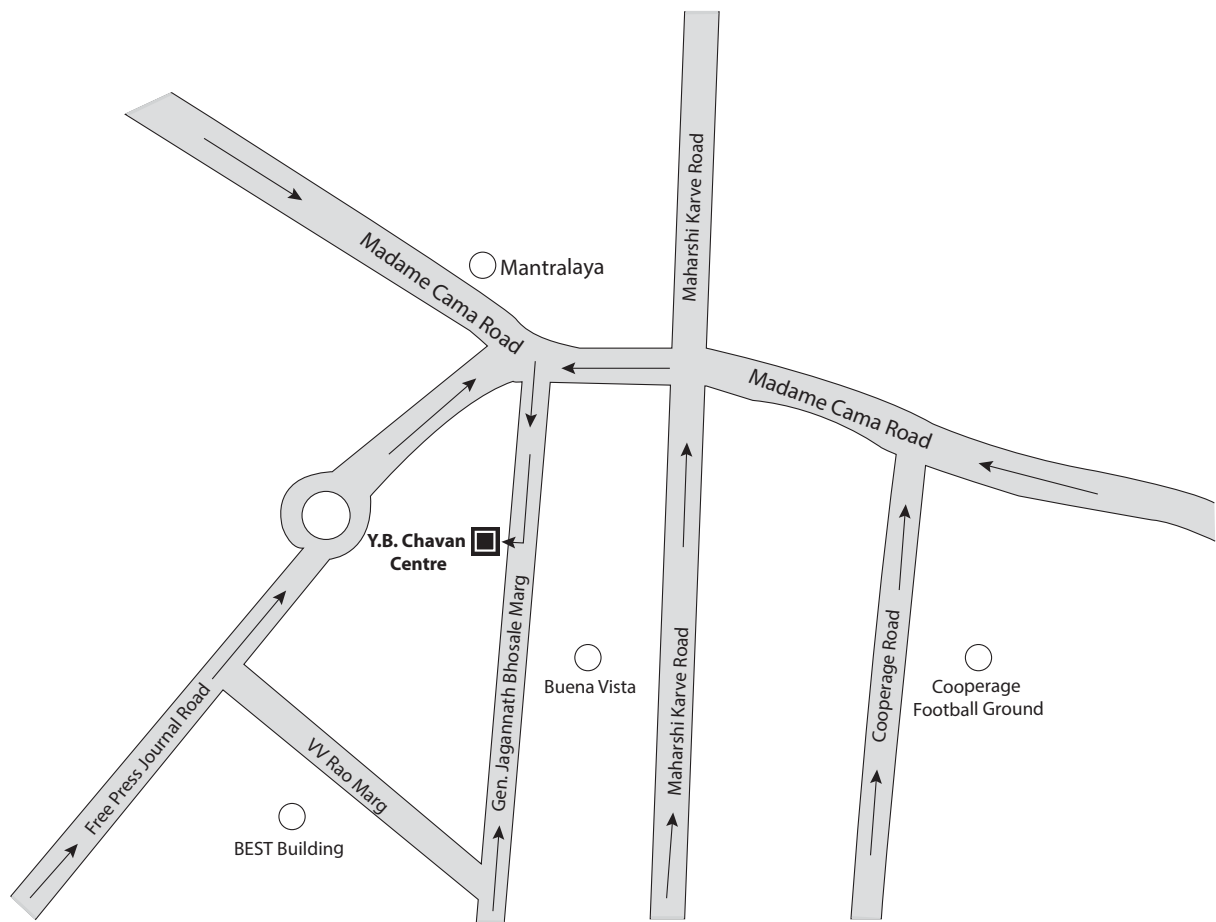
I/We record my/our presence at the Seventy-Ninth Annual General Meeting of the Company at Y. B. Chavan Auditorium, General Jagannath Bhosale Marg, Mumbai - 400 021 on Thursday, 27th August 2015.

Signature(s) of the Shareholder(s)/Proxy: _____



Route map to the venue of the AGM

■ Y. B. Chavan Auditorium,
General Jagannath Bhosale Marg,
Mumbai - 400 021.



CIPLA LIMITED

Registered Office: Cipla House, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai- 400 013
Phone: (9122) 24826000, Fax: (9122) 24826893, Email: cosecretary@cipla.com, Website: www.cipla.com
Corporate Identity Number: L24239MH1935PLC002380

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies
(Management and Administration) Rules, 2014]

Name of the member(s): _____

Registered address: _____

Email: _____

Folio No.: _____ Client ID and DP ID No.: _____

I/We, being the member(s) of _____ shares of the above named Company, hereby appoint:

1. Name: _____ Email: _____

Address: _____

Signature: _____

or failing him

2. Name: _____ Email: _____

Address: _____

Signature: _____

or failing him

3. Name: _____ Email: _____

Address: _____

Signature: _____



as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Seventy-Ninth Annual General Meeting of the Company, to be held on Thursday, 27th August 2015 at 3.00 p.m. at Y. B. Chavan Auditorium, General Jagannath Bhosale Marg, Mumbai - 400 021 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution Number	Resolution
1	Consider and adopt: (a) the audited financial statement of the Company for the year ended 31 st March 2015, the reports of the Board of Directors and Auditors thereon. (b) the audited consolidated financial statement of the Company for the year ended 31 st March 2015 and the report of the Auditors thereon.
2	Declaration of Dividend
3	Re-appointment of Mr. Subhanu Saxena retiring by rotation
4	Re-appointment of Auditors and fixing their remuneration
5	Appointment of Ms. Samina Vaziralli as a Director of the Company
6	Appointment of Ms. Samina Vaziralli as Whole-time Director designated as Executive Director of the Company
7	Approval of remuneration of the Cost Auditor

Signed this _____ day of _____ 2015

Affix
Revenue
Stamp

Signature of the proxy holder

Signature(s) of the
Shareholder(s)

Notes:

- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**
- A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote on poll instead of himself and proxy need not be a member of the Company.**
- Pursuant to the provisions of Section 105 of the Companies Act, 2013 read with the Companies (Management and Administration Rules), 2014, a person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- Notwithstanding the above the Proxies can vote on such other items which may be tabled at the meeting by the shareholders present.

Notes

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

Notes

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

Notes

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

Notes

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

TEN-YEAR HIGHLIGHTS

Consolidated

₹ in crore

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Income Statement Data										
Income from Operation	11345.44	10173.39	8279.33	7020.71	6323.84	5359.52	4960.60	4010.38	3438.24	2891.36
Total Income	11510.99	10438.76	8501.47	7160.23	6415.52	5713.02	5315.09	4349.66	3668.62	3079.63
Profit for the Year	1180.77	1388.41	1544.85	1144.24	989.57	1082.59	771.02	701.04	667.77	607.64
Dividend	160.59	160.58	160.58	160.58	160.58	160.58	155.46	155.46	155.46	155.46
Balance Sheet Data										
Equity Share Capital	160.59	160.58	160.58	160.58	160.58	160.58	155.46	155.46	155.46	155.46
Reserves and Surplus	10628.65	9889.77	8858.10	7478.35	6505.55	5749.99	4192.34	3599.71	3080.55	1923.30
Fixed Assets – Gross Block	7003.09	6183.18	5317.52	4626.35	4240.55	2897.26	2693.29	2201.79	1799.71	1366.67
Fixed Assets – Net Block	4271.18	4003.38	3609.97	3215.49	3094.18	2011.17	1992.49	1661.36	1388.07	1056.61
Investments	639.78	708.57	2532.44	1269.10	590.77	246.41	80.05	93.48	116.53	22.43
Net Current Assets	3307.81	2776.96	2389.59	2703.10	2520.99	3152.97	3013.33	2456.81	1894.43	1384.08
Additional Data										
Earnings per Share - Basic	₹ 14.71	₹ 17.29	₹ 18.75	₹ 14.25	₹ 12.32	₹ 12.50	₹ 9.92	₹ 9.02	₹ 8.61	₹ 20.26
Earnings per Share - Diluted	₹ 14.66	₹ 17.27	₹ 19.24	₹ 14.25	₹ 12.32	₹ 13.70	₹ 9.92	₹ 9.02	₹ 8.61	₹ 20.26

Cipla Limited

Cipla House, Peninsula Business Park,
Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400 013
Phone: +91 22 24826000; Fax: +91 22 24826120
E-mail: contactus@cipla.com; Website: www.cipla.com
Corporate Identity Number L24239MH1935PLC002380