

**TRANSCRIPT OF CIPLA LIMITED – 86TH ANNUAL GENERAL MEETING HELD AT 3.00 PM (IST) ON
26TH AUGUST, 2022 THROUGH VIDEO CONFERENCING**

Management Participant:

Dr. Y.K. Hamied – Chairman
Mr. M. K. Hamied – Vice Chairman
Ms. Samina Hamied – Executive Vice- Chairperson
Mr. Umang Vohra – Managing Director & Global Chief Executive Officer
Mr. S. Radhakrishnan – Non-Executive Director
Mr. Adil Zainulbhai – Lead Independent Director
Mr. Ashok Sinha – Independent Director
Dr. Mandar Vaidya – Independent Director
Mr. P. R. Ramesh – Independent Director
Dr. Peter Mugenyi – Independent Director
Ms. Punita Lal – Independent Director
Mr. Robert Stewart – Independent Director
Mr. Ashish Adukia – Global Chief Financial Officer
Mr. Rajendra Chopra – Company Secretary

Auditor Participant:

Mr. Ashish Gupta – Walker Chandiok & Co. LLP, (Statutory Auditors)
Mr. B. Narasimhan – Practicing Company Secretary and Partner, BNP & Associates (Secretarial Auditors) & Scrutinizer
Mr. D.H. Zaveri – Cost Auditor
Mr. L. Bhargav – Assurance Reviewer

Moderator:

Dear shareholders, good afternoon a warm welcome to you all to the 86th Annual General Meeting of Cipla Limited. For the smooth conduct of the meeting, all the shareholders will be in mute mode. The audio and video will be unmuted for those shareholders who have registered themselves as speakers during the Q&A session. Members who have not registered as speakers but want to ask questions may do so by posting their questions in

the chat box available on the screen. Shareholders are also provided webcast facility for live viewing of the proceedings of the meeting. Please note that as per the statutory requirements, the proceedings of the annual general meeting are being recorded and the recording as well as the transcript will be uploaded on the website of the company. I now invite our Chairman, Dr. Y K Hamied to initiate the proceedings. Over to you, sir.

Dr. Y K Hamied:

Ladies and gentlemen, it gives me immense pleasure to welcome you to the 86th Annual General Meeting of your company, Cipla. I hope all of you are safe and in good health.

Before I start the proceedings, I would like to introduce you to our Cipla board members, the senior management and auditors present with us today. On the top left of the screen, we have Mr. Ashok Sinha; he is an Independent Director and Chairman of the Audit Committee. Next to Mr. Sinha, we have Mr. Radhakrishnan, the Chairman of Stakeholders Relationship Committee. We then have Mr. Adil Zainulbhai; he is our Lead Independent Director. Next to Mr. Zainulbhai, we have Ms. Punita Lal; she is an Independent Director and a Chairperson of the Nomination and Remuneration Committee. Next to Ms. Lal, we have Mr. Ashish Adukia, Cipla Global Chief Financial Officer. We then have Mr. Umang Vohra, Managing Director and Global Chief Executive Officer of the Company. Below Mr. Vohra, we have Mr. Rajendra Chopra, the Company Secretary. On the left of the screen, we have Mr. M. K Hamied, Vice Chairman of the company and Chairman of the Corporate Social Responsibility Committee. Below Mr. Hamied, we have Ms. Samina Hamied; she is the Executive Vice Chairman of the Company and a Chairperson of the Investment and Risk Management Committee. We then have Dr. Peter Mugenyi who is an Independent Director. Beside Dr. Mugenyi, we have Mr. P R Ramesh who is also an Independent Director. We then have Mr. Robert Stewart who is also an Independent Director of the Company. Next to him we have Dr. Mandar Vaidya who is also an Independent Director of the Company.

Apart from the directors, I also like to introduce to you Mr. Ashish Gupta, who represents Walker Chandok & Co., our Statutory Auditors. Mr. B. Narasimhan,

Practicing Company Secretary, Secretarial Auditor and a Scrutinizer for the purpose of voting results at the AGM. We also have Mr. D. H. Zaveri, the Cost Auditor and Mr. L. Bhargav, the Assurance Reviewer.

Now, as is required and requisite forum is present, and I would therefore like to call this meeting to order and request Mr. Rajendra to make the statutory announcements.

Rajendra Chopra:

Thank you, chairman. Good afternoon, dear shareholders. This meeting is being conducted through video conference in accordance with the provisions of the Companies Act 2013 and circulars issued by the Ministry of Corporate Affairs and the Securities Exchange Board of India.

The proceeding of this annual general meeting are also being webcasted live for all the members as per the details provided in the notice of the annual general meeting.

The integrated annual report containing the board report, auditors' report, financial statements, and other reports along with the notice of the meeting have already been sent to you at your registered e-mail ID. I hope you have received the annual report. With your permission, I take them as read.

Since there are no qualifications, observations, comments or remarks in the statutory auditors and the secretarial auditors report for the year-ended 31st March 2022, I take the liberty and consider both the reports as read in the interest of the time.

In order to enable you to vote on the resolutions, we have provided the e-voting facility through NSDL platform. The remote e-voting commenced at 9 a.m. IST on Monday 22nd August 2022 and ended at 5 p.m. IST on Thursday, 25th August 2022. The voting rights were reckoned on the shares held as on the cut-off date, i.e., 19th August 2022. In case you have not exercised your voting right through the remote e-voting facility, I request you to do so now by watching the AGM proceeding. Voting will be made open up to 30 minutes from the conclusion of the meeting. Since you have been providing e-voting

facility, there will be no voting by show of hand at the meeting as per the statutory provisions.

The statutory documents and reports are required to be placed at the AGM are open for inspection electronically. Shareholders who wish to inspect these documents may write to us at cipla.agm@cipla.com.

May I now invite our chairman, Dr. Y K Hamied to address the shareholders and deliver his speech. Over to you, chairman.

Dr. Y K Hamied:

Ladies and gentlemen, again, I would like to welcome you to the 86th AGM of your company. Once again, this meeting is virtual. It has been two years since we last held an in-person meeting. Unfortunately, the unpredictable nature of the COVID-19 pandemic still prevails. And now, there is a new threat to public health with the monkeypox outbreak. I sincerely appeal to all of you to be disciplined and look after yourself, your families, your friends and colleagues as best possible.

Apart from this, the world continues to be plagued by newer diseases, war, supply chain disruptions, market volatility and above all, the major threats of climate change and anti-microbial resistance. However, despite these major problems, scientists have enabled to effectively control the COVID virus and its variants and also provide the world with newer therapies, newer diagnostics, newer vaccines and newer medications.

All of you, our shareholders, have received by e-mail a copy of Cipla's annual report for the year ended 31st March 2022. This includes a detail survey of your company's financial performance, management discussions and analysis, business, strategy, technical and manufacturing operations, human relations, corporate social responsibility, supply chain management and overall company governance. With your permission, I take this report as read.

This is the fifth year in succession that your company has presented a fully integrated annual report and the people responsible for it have to be duly commended.



You would be interested to note that today India is among the largest providers of generic medicines in the world, catering to at least 20% of the global demand in terms of volume.

India ranks third globally by pharma volume and 14 by value and has the highest number of approved pharmaceutical plants outside the USA.

The pharma industry has to navigate many uncertainties. Building innovation, both incremental and transformational, with scientific acumen is the only way to grow and to prosper in the future.

The year under review has been a momentous one for Cipla. We were recognized by "Business Standard as the Company of the Year 2021" and our "Executive Vice Chairman, Samina Hamied, was conferred with the Economic Times Businesswoman of the Year 2021 Award." Cipla was also recognized among the companies responsible for India's overall development, covering 75-years of independence. These recognitions are a testament to the high standards and commitment of all Cipla employees, who continue to uphold the company's legacy of "Caring for Life."

At this stage, I would again like to thank all the Cipla family throughout India and globally for their outstanding performance and work during this difficult year, not only in fighting COVID-19, but also in providing medicines on a sustained and continuous basis in India and worldwide. The work done has been well beyond the call of duty, and your company has been among the most responsible in the industry during this difficult period.

We have made significant progress in our business and continue our forward growth, not only in India, but also in the USA, and other key markets. Cipla continues to remain the third largest pharmaceutical company, both in India and in South Africa. Globally, among all pharmaceutical companies, we rank #52 and among the global generic drug companies, we rank among the leading #15. We've expanded our leadership role beyond providing medicines, and on a path to becoming an overall healthcare provider, thereby improving the quality of life of patients in India and worldwide.



Friends, it is now 25 years since the Cipla Palliative Care and Training Center in Pune was started. This humanitarian institution provides free-of-cost services to all patients who are terminally ill with serious medical problems, in particular, cancer and allied ailments. The unit supports both patients and their families during critical and difficult times. We are really proud that this institution is unique and only one of its kind, not only in India, but elsewhere as well.

I would like to reiterate, that Cipla continues to be a pattern of choice for many domestic and global pharmaceutical companies. We have an excellent ongoing relationship with many international organizations, and also with organizations, such as The Global Fund, DNDI, MMD, UN AIDS, Clinton Foundation, etc.,

Within India, Cipla has close links with many government institutions and laboratories under ICMR, CSIR, and establishments such as CDRI and IICT as also with many private organizations, and universities. These partnerships help us not only in R&D, but also in manufacturing and distribution of specialized medicines and specialized diagnostics.

Finally, I would like to assure you, our shareholders, that your company will continue to do whatever best possible towards healthcare, always with a humanitarian approach by providing affordable medication, and that none should be denied treatment, both in India and worldwide.

My sincere gratitude to all my colleagues on the Cipla Board of Directors who you can all see here today and the company's leadership team headed by Samina Hamied and Mr. Umang Vohra for their continued support, guidance, and visionary leadership.

I would also like to acknowledge the contribution of all our employees, both past and present, as also our partners and collaborators in bringing Cipla to its current eminent position in the pharmaceutical industry and ensuring that the future success of your company will be ongoing.

As always, our profuse thanks to you, our shareholders, to the medical profession, to our customers, to our suppliers, to all our partners, to all our associates for their continuing support, and trust in your company. Many thanks for being with us today virtually in such large numbers. I thank you for being here and I would now like to pass on to Mr. Umang Vohra, our M.D. and CEO to brief you on the operations and performance of the company, and thereafter, Mr. Rajendra to take up statutory items as proposed in the notice of the AGM, and other matters. Umang, the floor is all yours.

Umang Vohra:

Thank you very much, Chairman, and thank you. I appreciate the opportunity to take everybody through brief presentation on the company.

So, if you can please go to the first slide. I'd like to thank all of you who have joined us here today. And we are positioning Cipla to be an organization that continues to focus strongly on innovation as a team as we go forward.

So, if you go to the next slide, please, which is our first. As a broad snapshot, the company has grown by overall 14% in the last year and excluding the sale of COVID products by close to 12%. We have shown this growth almost across all our markets. If you look at the One-India story, the one India business has now reached Rs.10,000 crores, we are growing at a very strong rate of 27%. If you look at the US business, that's about \$600 million in size, grew by about 8%. Our margins out of the total business are closer to 21%. And if you look at R&D, we've been able to up that spending by 21%. So, despite the rise in R&D, we've kept a margin trajectory in play. And if you were to consider our growth in South Africa, our growth in the emerging side of the world, almost all businesses have shown very significant growth over the previous year.

If we turn to the next slide, we are always reminded that Cipla is an organization that actually works with its heart and ethos of our foundation helps us do that. So, while we report these numbers, while we report a better operating trajectory, I think for us, it's extremely important that we keep at the center of heart the work we do for the patients in the community and our foundation leads this from the front. And there have been several initiatives that the foundation has undertaken, including health, education, skilling,

disaster management, and we've helped several rounds of hospitals and palliation in the overall mix. So, we'd like to continue to do this as a foundation as an organization going forward. This company was formed for its service to patients and consumers for the ecosystem and we shall continue to endeavor to do that.

If you go to the next slide, one of our slides at our Kurkumbh factory, has a very, very nice saying. And it says, "We did not inherit this planet from our ancestors, but we have borrowed it from our children." And just the interplay of these words is very powerful to allow Cipla and all our colleagues at Cipla to make this planet better for our children, to leave it much better than how we inherited it. And I'm glad to respond to you that we have taken several sustainability goals. And I think among them is carbon neutrality. We are well underway. It's a tall target, but we will get there, water neutrality, as well as zero waste to landfill. And all of these we are working on as much as we try to ensure that we do not have fatalities and accidents on our shop floors. So, all of this along with improvements in governance, a lot of you have now received the annual report and have sent us appreciation for how this comes out. This is truly our sixth year I believe of the integrated financial reporting. And we will continue to better this as we go ahead.

If you go to the next slide, please. Like we had mentioned the last time to you, there are about 11 strategic pillars, 10 here plus one underlying pillar of digital and transformation through digital in each of these pillars that we as an organization have undertaken. And we are well underway to a lot of these. This is a five year or you could say three year goal. Some of these are running ahead of their time, I think one or two are a little behind our own targets, and they're largely behind because of the way COVID has panned out. But these are the 10 or 11 factors that we are moving very significantly as we begin to position ourselves and to try and become future-ready.

Of course, the last slide you see on the deck is innovation. And we are trying to create an innovation agenda for an organization that keeps us relevant to everybody, five or 10 years from now. And this includes what we will do in

wellness, what we will do in lung leadership, where both those trajectories are growing very strong as well as all other therapies. And in several markets where we will continue to use the opportunities that are given to us, as these markets either grow significantly or disrupt depending on technology solutions that many of our partners are bringing in.

So, if we go to the next slide, I'd like to leave you with a slide snapshot of what we would like Cipla to look like in the future. As Dr. Hamied said, we will make sure that almost everyone gets treated.

Can we go to the next slide please? And within that, innovation becomes the core central theme for us. And you see that at the middle of our slide, whether it is in diagnostics, in digital therapeutics, whether it is in MRNA in the field of biosimilars at Cipla, we are attempting to see what could be specific areas that we could build out significantly for the future, as well as focusing on ESG and making sure that we continue to stay the thriving place for our employees, and continue to do the work for society.

So, with that, I'd like to thank you for all your support in Cipla, and on behalf of the management team and the management council. You have a commitment to make Cipla future ready.

Thank you. With this I would like to turn it over to Rajendra. Rajendra, back to you now.

Rajendra Chopra:

Thank you, Umang. Shareholders, may note that the meeting is being held through video conference and the resolutions provided in the notice have already been put to work through e-voting. There will be no proposing and seconding name for the resolutions.

I will now brief you on various resolutions which we have proposed in the notice of the annual general meeting. Once I finish the customary process of briefing of the resolutions, we will invite the members who have registered their name to ask questions or seek clarification from the management, statutory auditor and the secretarial auditors.

Item #1 & #2 of the notice have been proposed as ordinary resolutions for adoption of audited standalone and consolidated financial statements of the company for the financial year ended 31st March 2022 and the report of the board of directors and auditors thereon. The auditors have issued an unmodified report on the financial statement and has confirmed that the financial statements represent a true and fair view of the state of affairs of the company. The board has recommended these financial statements for adoption by the members.

Item #3 of the notice has been proposed as an ordinary resolution for declaration of dividend. The board has recommended a final dividend of Rs.5 per equity share for the financial year ended 31st March 2022. Upon approval by the shareholders, the company will endeavor to pay the dividend within seven working days from the date of declaration, but in no event, it will be less than 30-days from the date of the annual general meeting.

Item #4 of the notice has been proposed as an ordinary resolution for reappointment of Ms. Samina Hamied as a Director liable to retire by rotation. Beside Ms. Samina Hamied, Dr. Y K Hamied our Chairman and Mr. M K Hamied, our Vice Chairman, are interested in this resolution. Considering her rich and varied experience and her contribution to the organization and based on the performance evaluation and on the recommendation of the nomination and remuneration committee, the board has recommended the reappointment of Ms. Samina Hamied as a Director liable to retire by rotation.

Item #5 has been proposed as a special resolution for appointment of Dr. Mandar Vaidya as an Independent Director. Dr. Mandar Vaidya is a medical doctor and a management graduate from the Jamnalal Bajaj Institute of Management Studies. He has spent 15-years at McKinsey, where he co-led the healthcare practice in India and established the hospital practice for Asia. He has served leading pharmaceutical companies in India and globally across several areas such as core strategy, manufacturing, productivity improvement, R&D, productivity, etc., He is currently the CEO of OYO, Europe. In view of his recent varied experience and on the recommendation of the

nomination and remuneration committee, the board has recommended the appointment of Dr. Mandar Vaidya as an Independent Director for a period of five years w.e.f. 29th July 2022.

Item #6 has been proposed as an ordinary resolution for enabling authorization to grant share-based benefits from one or more of our subsidiary company to Mr. Umang Vohra, our Managing Director and Global CEO. Since the share-based benefit would be granted from subsidiary companies as per the statutory requirement, approval of the shareholders was not mandated. However, following the high standards of the governance and transparency, the board of directors are seeking additional approval of the shareholders of Cipla Limited. The board has recommended this proposal for approval of the shareholders.

Item #7 of the notice is an ordinary resolution and pertain to the remuneration of cost auditor for financial year 2022-23. The board on the recommendation of the audit committee has approved remuneration of Rs.11.75 lakhs plus applicable taxes and out of pocket expenses as a remuneration to Mr. D H Zaveri, our cost auditor. As per the provisions of the Companies Act, since the remuneration approved by the board is required to be ratified by the members of the company, the board recommend ratification of the remuneration to the cost auditor for the financial year 2022-23.

We will now invite our members who have registered themselves to ask any question to the management, the statutory auditor and the secretarial auditors or may make any suggestion. We have received requests from 22 members who want to speak at the AGM. They will be unmuted upon their time and will be allowed to speak when called upon by the moderator. We will reply to all the questions and queries in one go. In the interest of the time, I request all the speaker shareholders to please keep the questions and comments in brief and not to repeat the questions which have already been asked by the fellow members. I also request the shareholders not to take more than two minutes. This will ensure that other members get opportunity

to ask questions and speak at the AGM. May I now request the moderator to please invite the shareholder one? Over to you, moderator.

Moderator:

We will now begin the question-and-answer session request you all to be connected while we bring the speaker shareholders online. The first speaker shareholder Lekha Shah is not connected. Speaker shareholder #2, Bimal Kumar Agarwal is not connected. Speaker shareholder #3 Narendra Jhaveri is not connected. Speaker shareholder #4 H.S. Patel is not connected. We have speaker shareholder #5 Mr. Anil Parikh connected with us. Please go ahead.

Anil Parikh:

This is the third meeting in a row where we are not meeting each other and not able to greet for whatever good deeds you have done. Sir, I request you to kindly have physical meeting next time if everything goes well. I would like to begin with one saying, *"Samne ho manzil to raste na modna, jo bhie man mein ho woh sapna mat todna, kadam-kadam par milengi mushkile aapko, bas sitaren chune ke liye, manzil mat chodna."* Having said this, sir, I would like to thank our CS team, headed by Mr. Rajendra Chopra, a nice person, very easily available on phone calls and wherever I have any doubts and any suggestions to make, he's always there to help us out and very much thankful to him for assisting us in join this meeting. Rajendra bhai thank you very much. Sir, now, I have gone through the annual report. Our revenues are 14% up, EBITDA 21%, PAT margin is also 11.6% up, everything is up. Sir, we are constantly growing our organization to greater heights. If I see last ten years chart given on page #40, sir, we are constantly doing better and better in spite of the fact last three years we are facing COVID-19 and this year, we have reached Rs.21,763 crores, excellent performance. Sir, dividend also last year was not there, but once again we are in a dividend list. Sir, I'm thankful to the board members and particularly Umang Vohra for highlighting salient features of this year's performance. And sir, I have a few questions to ask you. Sir, first, this year we have reached Rs.10,000 crores mark in Indian business. Sir, what you are evaluating our business for the coming year domestic as well as foreign? And sir, you mentioned our API business witnessed momentary slowdown in developing markets. So, how you are evaluating that also, kindly tell me that sir? Sir, next I would like to ask you one question regarding our

collaboration with pharmaceutical companies for the launch of Molnupiravir. How well it is received? I would like to know that. And also our joint venture agreement with Kemwell Biopharma and licensing agreement with strategic partner, Lilly, how this will help us to help our better top line and bottom line? Sir, everything is very well spelled out by yourself and Umang bhai. I don't have many more questions to ask you. I'm very much pleased with the performance of the company and I support all the resolutions very strongly and I have full faith in your leadership. Thank you for patient hearing, sir.

Dr. Y K Hamied: Thank you, Mr. Parikh.

Moderator: We now invite speaker shareholder #6, Shailesh Mahadevia. Please go ahead.

Shailesh Mahadevia: Respected chairman, distinguished directors and members of the company, sir, I feel highly privileged to speak in front of such an excellent board, all of whom are experts and experienced in their own field of specialization. Sir, I have also received an excellent integrated report, which is exhaustive, transparent and accurate. Sir, you have also included BRSR report, which is not compulsory, but you have included from the current year. Sir, I also appreciate the excellent financial results which you have achieved and the dividend you have distributed to the shareholders. And I also appreciate a number of awards which you have received, but in particular, the award given to our Vice Chairman for the Woman of Achievement for the Year by the Economic Times. And I appreciate the cooperation and assistance of the secretarial department, without which this meeting would not have been possible for me. Now, sir, I wish to put some questions. My first question is that on page #145, we have stated that our income from wholesale trading is 25.29% of the income. Sir, I would like to know, whether this type of income is likely to continue and if you can share some of the details that which are these items for which we have earned as much as 25%? Sir, my next question is that we have spent Rs.1,122 crores for R&D, substantial amount of which is for regular expenditure and some for capital expenditure. This is excellent and I believe this is the foundation which gives us excellent result. But sir, can you share that in which particular way this is helping us maybe in achieving long-

term clients or in developing some of our products? Sir, my third question is that you have mentioned in the report, ISO certification for one or two items scattered in the report. Sir, my request is that we should give all the ISO certifications which we are enjoying into one paragraph, maybe ISO 9000 for management, 14,000, 18,000, 27,000, etc., that will be of great help to us in understanding and appreciating our report. Sir, my suggestion is that you have given at the end of the report, every variations. You have called it glossary of abbreviation. Sir, in reality, it is abbreviation only. For example, if you tell me AI stands for artificial intelligence, it is only abbreviation. But if you give me an explanation as to how this is going to be helpful, and what it means to the business, it will be a glossary. Sir that will help us considerably. And of course, what you have stated as abbreviation is also of great help. Sir, my next question is on page #35. Under intellectual capital, you have given that we are enjoying 583 DMF filed globally. Sir, may I know what are these DMF and in which way it will help us in our intellectual capital field? Sir, then my next question #5 is that on page 251, you have given that income from export of API is Rs.711 crores. Sir, may I know from API within the country which we may have sold? Sir, then my next question is regarding raw material import possibly from China. I believe a lot of imports are being done from China and other countries. Sir, may I know whether we have been able to (not audible) dependence on the outside world and develop some of these within our own sources? Sir, with this, I wish our organization every success in all our efforts in the years to come. It has actually become a way of life to make progress and reward the society at large and also the shareholders. Thank you very much, sir.

Dr. Y K Hamied: Thank you, Mr. Mahadevia.

Moderator: Speaker shareholder #1 Lekha Shah is connected with us through audio. Please go ahead.

Lekha Shah: Respected chairman sir, board of Directors and my fellow members, good afternoon to all of you. Myself Lekha Shah from Mumbai. First of all, I'm very much thankful to our company secretary, Chopra ji and his team for sending

me the AGM notice well in time. Thank you, Chairman sir as well as the company. Congratulations sir for excellent results. Sir, I pray to god that he always showers his blessing upon you. Sir, I would say all the best to our company and congratulations for receiving awards and recognitions by the various clients during the year '21 & '22. Also, the company's doing very well between the CSR activities. I would like to ask a few questions. My first question is with COVID-19 what was our company working on research medicine related to COVID-19. My second what is the market share of our generic medicine in the domestic market and how much it contributes to our profitability? Are there any expansion plans in manufacturing units? Sir, I would like to say, I strongly support all the resolutions for today's meeting and my best wishes always to our company and its prosperity. Thank you, sir.

Dr. Y K Hamied: Thank you.

Moderator: Speaker shareholder #7, we tried reaching Mr. Yusuf Yunus Rangwala, but he's not available. We move on to the next speaker shareholder Ms. Smita Shah. Please go ahead.

Smita Shah: Sir I am Smita Shah calling from Mumbai, Namaskar. Sir first of all I would to congratulate you for the excellent performance of the company and for many awards which you have won this year. I want to congratulate the boards and employees who have given you their support and given an excellent result of the company and they made the name of Cipla renowned in the world. Our global market size has increased a lot so lots of congratulations. Sir today also you look so handsome and sir your smiling nature which shows your hard work and passion for the company. Sir I praise you this year you have given the dividend so thank you so much. In such a difficult times you have taken care of the shareholders and given the dividend so many thanks for that. Sir many of the speakers before me asked questions through which many of my queries have been asked but I want to ask that you have already made so many medications but in future which other medications you want to make and what are the plans for the future, please highlight those. Otherwise, sir I have lots of best wishes to you that God keep you in good health and wealth

and like this only with your smiling face in future also you keep contributing towards the Company in the field of pharma. With this I fully support all the resolutions. Sir lastly I want to tell you only one thing that over the last three years we are joining through VC but we are facing lots of problems last year also I could not join you but this year I got a lot of help from CS team and I could join you and could talk to you. I thank Mr. Nataraj from CS team for sending me the hard copy of the balance sheet.

Moderator: We move on to the next speaker shareholder #10 is Santosh Kumar Saraf. Sir, I request you to please go ahead.

Santosh K Saraf: Respected Chairman and the members of the Board of Directors and my fellow shareholders brothers and sisters I am Santosh Kumar Saraf my Namaskar to you. I am calling from Kolkata. I hope you all are safe and healthy. I thank you management and their team for the stellar result and giving a good dividend. Sir I have sent a letter earlier with my questions, perhaps your secretary must have given you, if not then I would repeat my questions.

Rajendra Chopra: Yes sir, we have received the queries.

Santosh K Saraf: Then I would not ask many questions. I would just like to say that please increase the female employees numbers in the company and whatever questions I have asked please answer those question. Sir this VC meeting is very good as I can join you from Kolkata. And sir in future if you keep a physical meeting I would urge you to have a VC meeting also. Sir I requests all the employees and my fellow shareholders to take booster dose for Covid. I got infected with Covid days back though I got okay with fever medications but I took booster dose and I request all of you to take booster dose. What steps are you taking for the single plastic use just let me know. I would stop here with the best wishes to our chairman, board of directors and all the employees of the company and their family. Jai Hind. Jai Bharat. Namaskar. If you don't understand Hindi, I have sent a letter in English. Please take a look. Thank you.

Moderator: Speaker shareholder #2, Bimal Kumar Agarwal is connected with us on audio. Please go ahead.

Bimal Agarwal: Good afternoon to everyone. First of all, I thank the company secretary and his team and also NSDL. I'll come to the main point. After posting strong growth in revenue and profit in FY'21, the company posted moderate growth in FY'22. What is the future roles we have for the company? What is the impact of China factor on our company business. What initiatives the company has taken undertook to overcome challenges due to China factors in our business? Please provide the details on company research and development initiatives. What are the R&D achievements over last one year? And also throw some light on CAPEX plan? How many are patented drugs? That's all from me. Thank you very much.

Moderator: The next speaker, shareholder #3 Narendra Jhaveri is connected with us on audio. Please go ahead.

Narendra Jhaveri: Respected chairman, distinguished members of the board of directors, my name is Jhaveri. Sir, we have received your annual report after some struggle. You see sir under the guise of COVID, more than want to drive out the COVID wherever the company, wanted to bring in the COVID, this is very surprising thing. Now trains are run, fully packed, temples are open, hotels are opening, schools are opening, but the shareholder is discriminated. You must take up this matter and shareholders will guide. Let us have a physical meeting. This video conference audio conference is not suitable to all of us. Friends and each one of the house cannot discuss on this matter through this medium. So, let me start with the point on the dividend payment. Dividend payment on the page #203 on profit & loss account on standalone basis is Rs.36.67. On the page #124 in the board of directors report you reported that only Rs.13.65 is distributed as dividend, just only Rs.403 crores out of Rs.17,983 crores available for distribution. I've seen in the pharmaceutical company you have the lowest market share. Is it because of inflation and now the rising prices, in Rs. 5 we do not get a cutting chai or we cannot get a glass of water also outside sir. So, you've a very conservative dividend policy. Rs.17,983 crores of

profit, out of that you are giving Rs.403 crores, this comes to 13%. The normal standard is 1/3 of the available profits should be distributed. We are not absolving 1/3, it is not even one-fourth, it is less than that. How can shareholders survive sir? Why you discriminate shareholders? Why dividend should not be revived? It is not fair, sir. Secondly, dividend advice should be sent to all the shareholders. We don't have any proof that we are the shareholders of the company. Now, we must receive dividend advice from the company that we can have for future reference. Now, suppose something happens and some people have been receiving a similar amount of dividend, say Rs.200, how one can establish the Cipla company? My dividend amount is very small, but we are giving handsome amount to the subscribers for subscribing the internet facility. We must have physical meeting. Managing director mentioned about the relevant subsidy. Now what is relevant subsidy at present? You've used the word, relevant subsidy. What is the meaning of relevant subsidy sir? Wish you best of luck and see you next year with a higher dividend of 25%-35% of the available profit should be distributed. Thank you.

Moderator: We now invite speaker shareholder #4, H S Patel who's connected with us on audio. Please go ahead.

H S Patel: Respected chairman, other members of the board, I thank very much the secretarial department for sending me this annual report in time. We expect to be considered with the shareholders also. Two things are there. Dividend is only once in a year or twice in a year and it is the dividend that we have to carry on our living especially the senior citizens. And it is essential that an AGM is meant for the shareholders, board meeting is meant for the directors, it is essential that shareholders are given importance at the AGM, at the board meeting, directors should be given importance, vice versa and no importance is given to shareholders, it's a very, very sad matter. Also, I would like to stress one important point. India is very rich in various plants, shrubs in medicines. Why are we going into chemical formulated medicines? Why are we putting all the various hard harsh chemicals in the blood system of innumerable people, instead why we can't come out with the various like karala water, honey, ginger, honey, turmeric, honey plus, make such medicines instead of

making all chemical medicines and earning money out of it, give importance to herbs and shrubs. Mother has a very rich and fertile. You stay abroad a few months of the year, but we stay in India throughout all the 12-months. So, it is a very hot and humid climate in India and to have harsh chemical medicines is very difficult for liver, intestine, spleen, it gets very harshly affected because of the chemicals. So, it is essential that you go in for various herbs, plants and shrubs which are enormous in a country like India. Please make medicines out of the herbs and plants and shrubs. Also, the medicines that you make, the effect should last at least for five, six hours. If I take your medicine, the effect is lasting only for two or three hours, then it gets dissolved and it is like the same. Why is it sir? Please see this is made out properly and the effect last for at least seven, eight hours. If you are giving us chemical formulated medicine, it is difficult. If you take herbs, plants, shrubs, suppose I take at night time around 9 o'clock, 10 o'clock the effect remains till the next morning 7 o'clock, it's worthwhile. Please Hamied sir, you are a very senior person. Please see to it that we are protected, we are given good medicines. Umang Vohra sir, please do good for our Indian people. I wish the company all the very best. All those who have worked hard in the hot sun in the heavy rains, I wish them good luck. You do anything for the COVID for outside people, especially among the CSR activities, do something even for the shareholders, give us a chance to get ourselves repaired with your COVID immunization and all that. It will be better for us. Help us also out. People keep on producing and producing and producing. And we've got in CSR activities, but people who are reinvesting it in your company as shareholders, no consideration is given. I am taking Quran in my hand and praying to you, please consider my prayers. I request you to please consider that good medicines are given by Cipla. Then there is also one more point, supposing other chemical companies, some medicines are very famous like Coryx. Other companies did not progress in that other substitutes of Coryx. So, they made it a point to prevent all the wrong things and put a ban on Coryx. I don't know why are we indulging in all such activities? I'm not saying Cipla is indulging, but I'm saying why are we indulging in all these activities to put an end to a very good medicine made by other pharmaceutical companies. Thank you very much for giving me an opportunity to speak.

Moderator: We move on to the next speaker, shareholder Mr. Kaushik Shahukar, speaker shareholder #11. Please go ahead, sir.

Kaushik Shahukar: Good afternoon, everyone. First off, I would like to thank the board of directors for giving me the opportunity to speak in this forum. Many of people remember me from the conversation of past. So, I will keep both my questions and interaction brief. Myself Kaushik Shahukar, a qualified and a practicing-chartered accountant from Mumbai. I have been suffering from dystonia. 155% of my bodies have reached impacting my right hand, my right leg and the speech. While I have not let that come in my way of becoming a chartered accountant, and practicing, I do request your support in helping me, continue to be self-reliant. I was optimistic after a conversation we had last year about me working for our organization in certification work, including Form 15CB. However, nothing has worked since. While I understand things have not progressed due to pandemic situation last year, I do hope that after our conversation today, our organization would engage me in this area as soon as possible. Once again, thank you for the opportunity to speak today and I hope to see a positive movement forward. I support all the resolutions. It is appreciated that company can support me with at least some certification work. I am also aware that this is not the forum to speak, but how else can I reach you? Please throw some light. Thank you. Thank you so much.

Moderator: Speaker shareholder #12, Mr. Gautam Tiwari is connected with us on audio. Go ahead please.

Gautam Tiwari: Good evening, hon'ble chairman sir Y.K. Hamied ji, Ms. Samina Hamied ji, all the dignified board of directors in Cipla Limited, fellow shareholders, myself Gautam Tiwari, participating at this AGM from Mumbai. Dear sir, I would like to thank the company management for paying Rs.5 per equity dividend, which stands to 250%. Dear sir, I would like to especially mention that Shri Rajendra Chopra ji since last five years he has been giving meaningful investor service and helping us all the time, with his associate Mr. Natraj who has been there and attending all our calls, and solving all our issues and problems very much punctually, instantly, satisfactorily, very humbly, politely year-on-year and

moreover the services rendered by this NSDL and this Chorus department and just which one I work with our moderator, so they are exceptionally good. I am really thankful to the company for extending such a good dedicated and committed investor providers to shareholders of our company year-on-year and all the time. And I wish that it will keep on continuing in future. Dear sir, I thank the company for winning various awards and accolades. And also I thank the company for excellent CSR activities which are beneficial to our community, society and public at large. Dear sir, our company has always worked in the interest of small shareholders. Sir, I am a shareholder of your company right from day one, and have always observed that the company's management has done the multiplication of all our investments, and rewarded the shareholders each and every year by taking wonderful, amazing, miraculous decisions year-after-year and all the time, for which we are thankful to the company you have really made the shareholders richer and richer year-after-year in continuity. I support all appointments and reappointments of our directors. Also, I support strongly and I already voted in favor of them all by remote e-voting. Dear sir, I have got a strong confidence, faith in the management and we wish you a very, very happy, long healthy, wealthy life in the days to come along with a bright future for days and years. A small question I got. What is our capacity utilization on an average at present? So, what is the vaccination status of our employees? Which are the new medicines that we have launched this year sir and waiting for approval for next two years, and arrangement of our company what it has got in the pocket to do? Dear sir, I'm always there with you and I shall be there with you always supporting till I breathe my last and even after that also. And I promise that we will always be together whether it is dooms day or glorious day, we'll never part. Thank you very much sir for patient listening. Jai Hind, Jai Bharat. Vande Mataram.

Moderator: We now move on to the next speaker shareholders speaker #13 Rajesh Chainani. Please go ahead.

Rajesh Chainani: Respected chairman, distinguished members of the board, my fellow shareholders, my name is Rajesh Chainani. First of all, I thank our company

secretary, Mr. Rajendra Chopra for coming out with excellent 88 pages balance sheet, each and everything is highlighted, covered very well, that any operational projects, beautifully done. Y K Hamied is of the pharma world, sir. So, the doctor run to you, sir. Nowadays, many companies have to run to you. Your prices of your products are so reasonable. I think you should be in Delhi or Mumbai. You should be in the central government in the medical field. And how is the route going on? Your medicines are so subsidized and all are effective. So, I really appreciate, sir. Your rural CSR activities are on the line and general CSR activity helps entire India. So, only thing is, it's been a very, very long time. There is no bonus. I think last time was one 1.5 per 1 share, it was given 1.5 or something. Results are very good, sir. So, I would really hope for bonus or maybe we can do a stock split, sir, so that the share capital is also not affected and it will be like a mini-bonus. Sir over the last three years we have not met so I would just say that much only *"Na door rahne se rishte toot jate hai aur na paas rahne rishte jud jate hai, yeh toh ahsaas ke yeh who pakke dhage hai, jo yaad karne se aur majboot ho jate hain"*. Sir, you are always with us, we always remember you sir and I hope that we can meet you personally sir. I have supported all the resolutions and a lot of points have been discussed. I won't be taking much of your time and I won't bore you, sir. Thank you very much sir and I thank the entire management and the secretarial team, they have been really connecting with us.

Moderator:

We now invite speaker shareholder #14 Hiranand Kotwani #15 Mahesh Kumar Bubna and speaker shareholder #16 Aspi Bhesania to join the meeting; however, there was no response from the connections. We move on to the speaker shareholder #17, that is Manoj Kumar Gupta. Please go ahead. While we check the connection for Mr. Gupta, we move on to speaker shareholder #18 Vinod Agarwal. Please go ahead, sir.

Vinod Agarwal:

Respected Chairman, Y K Hamied, our M.D., Umang Vohra ji, our CFO, Dinesh Jain and our CS Rajendra Chopra, good afternoon to all of you. I voted for all the resolutions passed in today's AGM. I have noted that the consolidated operational revenue was Rs.21,763 crores and the total PAT was around Rs.559 crores, so PAT has a margin of 10%, which is a very good margin that

the company will enjoy. And you have declared a dividend of Rs.5 on face value share which is good sir. I have one or two queries sir. How much of the R&D Spend that you're doing of Rs.969 crores going into the biosimilar business and part of the new drug portfolio that the company is developing? And how many returns are you getting sir, because we can copy patents, which are going on generic basis, but we're doing such a large sums of R&D expenditure, we can file our own new chemical entities and get new patents for ourselves, which can have a long-term revenue generation for our company, how many of these have you done for our company? I'm also happy that the company in the last year earned net foreign exchange of Rs.4,237 crores, foreign income was Rs.6,017 crores and the outgo was Rs.1,780 crores. So, the net foreign exchange earning was Rs.4,237 crores. I also compliment the management for receiving all the awards that have been mentioned on pages 22 and 23 of the annual report. Signing off by wishing the company all the best for the future and thank you sir for giving me time to speak.

Moderator: We move on to the next speaker shareholder #19 Ashish Bansal. Please go ahead.

Ashish Bansal: Thank you for giving the dividend and thank you for sending the annual report. I have questions which I sent by mail.

Rajendra Chopra: Queries we have received and we will reply during our Question and answer session.

Moderator: We tried contacting speaker shareholder number #20 Dinesh Bhatia, to join the meeting. However, there was no response from the connection. We move on to the next speaker, shareholder #21, Madhura Nansi. Please go ahead.

Madhura Nansi: Good evening, respected chairman. Actually, I would like to congratulate for a very good annual report of the company. I have 13 questions, and I would not take much of your time, I had already posted on e-mail. So, if you could just respond or reply on the call point-by-point. That's it. Thank you.

Moderator: We tried contacting the last speaker shareholder #22 Vasuda Vikas Dakwe to join the meeting; however, the number was switched off. This was the last question. Thank you all the speakers for your participation. The management will provide the answers to your questions shortly. Over to you Mr. Vohra.

Umang Vohra: Thank you, everyone for the questions. I'm happy to answer. And if you do not receive an answer, please do contact the company secretary team, and they will be able to give you the responses.

So, I will first respond to the queries we got in writing before the AGM. I think Ashish Bansal had written a couple of questions on India and asking for growth segments in India. I think we'd like to mention that the India growth is going to be dependent on making sure that our big brands grow bigger. And within segments, whether it's respiratory or cardiovascular and even now acute therapies in tier two to six towns, we expect to see very strong growth in India.

The second question from Mr. Ashish Bansal was on R&D and the number of projects. I think we currently have over 50 projects in our R&D pipeline, of which we try and launch an equal number every year. And I think that is the base for the spending. In terms of the capex projects, we are expanding capacities across our locations in both API and formulations. And those capacities will continue to expand where the historical rates of capital expenditure that we put.

Coming to Shri Santosh Saraf, your questions are on number of new products that have been launched in the year. I'd like to tell you that we've done h to 100 launches across the various markets in the world. The CAPEX plans, I have already answered to Shri Bansal's query. There was a question on the main competitors. We are ranked #3rd in the pharmaceutical industry and many times the number of people after us who are actively considered in rankings are almost about 30 or 35. We have the impact on the company due to the Ukraine war. We have less than 1% of our exports to Ukraine.

You have asked about help from state and central government. I think the government has been very helpful with the PLI scheme, and we have been able to opt for that scheme as we have gone forward. Then it's about the steps taken to replace single use plastic bottles. We've taken several measures. I think we've almost recycled 80% of the plastic that we use and the objective is to get to 100%.

The ratio of male-to-female employees. I think we have about 13.34%, your query was on that. 99% of our employees are covered with the health insurance.

We are doing significantly well in terms of rainwater harvesting. That was your next question. I think a lot of work is happening there and we will continue to take action in the rainwater harvesting. We've almost done about 1.2 lakh kilo litres of harvesting this last year.

There are lots of other questions you have asked. You have asked about income tax cases that have been pending. And wherever these cases are pending, we have appointed senior counsel who help us with these cases. You have mentioned '84-85 and maybe what you had perhaps wanted to mention was '96-97 in your question.

I now go to Madhura Nansi and I think she talked about when will we grow in India. I believe that has been answered. We also have a very strong consumer business, which is growing significantly. And in a recent release, we have mentioned that this business can grow manifold in India.

You also asked about the M&A strategy. We are looking for large brands, as well as we're also looking at good assets to acquire where we can find them.

In the OTC business, you spoke about the top 10 brands and I think we've got a healthy mix of products, we have products like Nicotex like Prolyte. And I'd encourage you to try and use some of them if you have not. And then of course, omnigel is our main asset. You asked about areas in consumer health. We're looking at pain, vitamins, cough, dermatology. You've asked about the

filings in European markets. We've got about 95 filings across the emerging markets in Europe.

And then on the consumer wellness franchise, as you may recall, we have about 9% to 10% of revenues, we're trying to take that share up to 15%.

Your question was on the cash balance. And we've said that obviously we also have, as we have mentioned, some liabilities that could accrue to the company in the future.

As well as your request for revisiting the dividend policy, I'm sure the board would consider that.

And the capacity of the line in the US, I think that's for a specific product. Right now it's not changeable across the line of products.

With that. I think if we have not answered any of those questions, please do reach out to our company secretary team and they will provide these answers to you.

Going on to the next rest of the questions, I think we have already covered the questions. Mr. Anil Parikh had a couple of questions. The future of the API business was a second question. The first question was on India, which we have answered earlier.

And I think we have a list of leadership molecules and molecules which are going off patent in the API segment. We are going to try to make sure that we can maximize the opportunity here. Your question was on Molnupiravir. We have tied up with global funding agencies and where there is a demand we will be able to supply that going forward.

On Kemwell, we have a partnership. Right now, there are two biosimilars in active discussion and progression, and likely that we will continue to add to that pipeline. In the Lilly partnership, it's about taking medicines that India cannot get because of patents. We partner with pharmaceutical MNCs and

take their medicines into India. So, we have almost five or six products with Lilly in the diabetes space there. It's a very strategic partnership for us.

Mr. Shailesh, your question was on the income from wholesale trading. This is the income in the standalone books. In wholesale trading, it's coming from the GX and the RX business, our India businesses and it's the income that is supplied from the third-party manufacturing sites.

Your next question was on ISO certification and you had asked for list of abbreviations and how to simplify that. We have taken your input and we will revert to you with that. There are 583 DMFs. And you had asked for which countries, this is sold etc., And 53% of our API business is sold to Europe and some key global customers and there are a lot of it which is also sold to emerging markets, rest is all to emerging markets largely.

You had asked about R&D. I think I have answered that question earlier. At any point in time we have over 50 projects that we track and the objective is to try and be first in the market in several of these. You had also mentioned about ISO certifications. I think we have taken those inputs.

Lekha Shah was the next person raised questions and it was a question about COVID. And I think our revenues are about 5% in the last year from COVID products across the world.

You had also asked about market share. We have about 5.35% of the share of the India market and it is more profitable for us than compared to several of the other markets that we operate in.

And you've also asked about expansions in manufacturing which I believe I have answered earlier.

Then the next question was from Smita Shah ji and her question was on future medicines in the market. In the last year we have launched approximately 93 products and in that you had questions about bio and off-patent medicines and in bio whatever medicines we have as I have told earlier that 3 products

we are working on right now and we will work on other off-patents medications.

Santosh Kumar Saraf, you asked a question. We have given an answer. Single used plastic and female employees ratio we have given the answers of those questions.

Next question was from Bimal Kumar Agarwal ji. This was about impact of the China lockdown on the company. And thanks to the fantastic work that our supply chain team has done, we have been able to mitigate this impact. The impact is quite significant for the pharmaceutical industry. But I think by and large the Indian players because of stocking and because of better management of the supply have been able to control significantly. R&D achievements over the last one year, as you can see a large pipeline has been unlocked both in India and in the United States. We are launching several products first and ahead of the others. And those are some of the achievements that we have taken and I think peptides is a big achievement when we are looking forward to some of the launches in the respiratory area also, our first time launches in some of the markets across the world.

Mr. Jhaveri, you asked about a physical meeting and the request to consider a dividend. Obviously, we have taken your inputs and the board shall investigate this.

Mrs. Patel, we heard your questions and we wish you very well with your health. Your questions were on herbal medicines. There is a division of our business called consumer business which is trying to do more and more of these herbal medicines. And also where possible, we are trying to support it with data. We also have a lot of medicines which use herbs, even though there may be chemical in their synthesis. And I'd like you to keep that a lot of our herbal flavors as we go ahead with them.

Gautam Tiwari, you have asked about capacity utilization. By and large, our capacity utilization is around 70% to 80% in most facilities. I think some obviously are lower than the others.

And you asked for new launches. As I mentioned, we've launched about close to 93 or 100 products in the previous year. You have asked for a roadmap for the next two to three years. As you can see, a lot of our markets we grow, we see significant traction in our markets in India and United States, and of course, the emerging side of the world. And we will hope to continue to further our trajectory here.

Rajesh Chainani ji, you had asked about the stock split, and the bonus shares. I think the board has noted your observations and we'll consider it when appropriate.

And then there were some questions that we were not able to get from several of the other participants.

I think, Mr. Kaushik Shahukar, you had asked a question on your employment potentially and some work that the company could give you. I think please do write to Mr. Chopra and we will try and see what best we can do to help and support you.

One last question was asked by Mr. Vinod Agarwal on how much of the R&D spend is towards the biosimilar business and right now, in the last year not a very significant amount is from the biosimilar business, it is less than Rs.30 crores in the last year, and those spends will continue to increase as we go forward in the years ahead.

Dr. Y K Hamied:

I now declare the proceedings of the annual general meeting closed. Remote e-voting facility is still available to the shareholders for next half an hour. The shareholders who have not yet voted, can proceed to vote by clicking the voting icon visible at the screen. On behalf of the board, Rajendra Chopra, the company secretary is authorized to receive the scrutinizer's report and announce the voting results. Resolutions are set forth in the notice shall be deemed to be passed today subject to the receipt of the requisite number of votes. In conclusion, we thank all the participants for attending Cipla's 86th Annual General Meeting. All of you including the directors and all the



shareholders present today, please take care and stay safe until we meet next year again. Thank you, everyone.
