

## Eighty-Second Annual General Meeting

Thursday, 30th August, 2018

**Address by Dr. Y. K. Hamied  
Chairman**

Ladies and Gentlemen,

I would like to welcome you to the 82nd Annual General Meeting of your Company. As always, I am talking to you with humility and at the same time with pride as we complete 83 years of dedicated contribution towards healthcare during which your Company has created pharmaceutical landmarks in areas such as respiratory disease and HIV/AIDS. This year, we have produced what is perhaps the first annual report by an Indian pharma company in accordance with the Integrated Reporting Framework. The report contains a detailed discussion of our business model and the six capitals, and upholds our firm commitment to best practices in corporate governance.

### The financial year gone by, and the year so far

Our FY'18 revenue of Rs 15,219 cr was a 6% year-on-year growth after adjustment for GST. Our operating margin expanded by 14% to 18.6%. Profit after tax was Rs 1,411cr, denoting a 40% year-on-year increase. ANDA filings in the US exceeded expectations. Overall we had a good year in FY'18. We have identified our core strengths and built a strong foundation to execute our future business plans. This solid effort continued in the first quarter of FY'19. Cipla reported a good set of numbers in Q1 FY'19. Our home markets of India and South Africa showed strong growth. Our OTC business in South Africa will be considerably strengthened by the acquisition of Mirren (Pty) Ltd. Our product pipeline for the US is very much on track. Strategic partnerships in India and several emerging markets will bolster our presence in key therapies. Our reputation for excellence, quality, consistency and integrity remains robust as evidenced by the recent EIRs received by our Indore and Goa plants. We remain on course to meet our FY'19 business goals.

With your permission, I take as read the Board Annual Report for the year ended March 2018, which incorporates management decisions, analysis, full details of our financial position, our business strategy, performance of our core technical operations, our people practices, corporate social responsibility, my views and those of my colleagues on the pharma industry and healthcare.

This year, I would like to talk specifically about our R&D innovations for the benefit of patients worldwide. This is a fitting occasion to share my thoughts with you on the subject. As an innovator involved in the development of pharmaceuticals for the past 60 years, this is of special interest to me. I have always regarded myself more of a scientist than a businessman. This has led Cipla to always be ahead in adopting a humanitarian approach to healthcare.

### Innovation for patients

From its very inception in 1935 in the pre-independence era, our Founder utilised Indian scientists and Indian expertise to help the progress of healthcare in the country. Even at that time, Cipla made and marketed many innovative drugs essentially for use in the Second World War post 1939 such as Emetine, Quinine and Coramine. We developed a Vitamin B12 injection based on liver extract. Subsequent to India's independence, Cipla led the development of the bulk drug industry in India. The prestigious PC Ray Award for indigenous innovation in bulk drugs was given to Cipla in the year 1983. Cipla ventured into respiratory medicine and inhalation therapy in the 1970s, thereby improving the quality of life of millions of asthmatics, not only in India but abroad as well.

In the 1980s, Cipla was among the first Indian pharmaceutical companies to get US FDA approval for its manufacturing facilities and selected bulk drugs. In the 1990s, we developed a novel oral iron chelator for thalassaemic patients in India. In the year 2000, only a few thousands could afford anti-retroviral treatment in Africa, and HIV/AIDS was seen as a death sentence. Today, millions of patients are being treated and are able to live full and active lives thanks to our Indian ARV drugs. We were the first in the world to introduce an affordable fixed dose combination drug Triomune for HIV/AIDS, and our impact particularly in Africa has been recognised internationally as having contributed to bringing access and affordability to the very epicentre of the HIV epidemic.

We have continuously developed a number of outstanding pharma technology platforms, newer devices, fixed dose combinations, etc. and over the years we were the first in India to manufacture and market innumerable essential and vital drugs that were available internationally but not here in India. These achievements are testament to Cipla's ability to innovate and at the same time keep the interest of patients uppermost in our mind. In spite of challenging policies and pressures from the external environment, intense competition, and the rapidly changing nature of healthcare, your Company continues to uphold its principles and values for patient-centric innovation.

Recently, we introduced a unique breath-actuated inhaler Synchrobreathe for asthma, a world-first fixed dose combination called Q-TIB as a prophylaxis against TB in HIV patients, a rectal artesunate suppository for malaria, and lopinavir-ritonavir oral pellets for paediatric HIV. Our purpose of 'Caring for Life' underpins everything we do, and you can rest assured that your Company will carry on this tradition of service to healthcare around the world in the years ahead.

Cipla will continue to work towards increasing its revenues, increasing its operating margin and profitability of its businesses, but we believe that it is all-important to 'do well by doing good'. I would like to assure you that this vision is shared by the entire Cipla Board, senior management and staff of the Company. I have grown up with Cipla virtually since its inception and have lived all my life with these values. During the last six decades, I have had utmost satisfaction in leading this successful enterprise with pride and dignity.

We wish to thank our customers, medical profession, suppliers, partners, associates, and employees for their continued faith in Cipla. Our overall achievement would not have been possible without the wholehearted support of all our shareholders. This has led us to justify a proposal to increase our dividend for the year from Rs. 2 per share to Rs. 3 per share, which is 50% higher than last year.

Once again, I welcome you to our meeting today. Thank you.

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## Cipla Limited

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